

CONFERENCE COMMITTEE REPORT DIGEST FOR EHB 1196

Citations Affected: IC 6-1.1; IC 21-2-11.5-5; IC 20-4-57; IC 21-2-15-13.1; IC 21-3-2.1; IC 23-1; IC 23-4-1-45; IC 23-4-1-53; IC 23-16-3-13; IC 23-18-7-9; IC 30-5-2-8; IC 33-3-5-2.5; IC 34-6-2-38; IC 36-10-11; IC 2-5-1.1-18.

Synopsis: Taxation. PROPOSED CONFERENCE COMMITTEE REPORT TO EHB 1196. Makes various amendments for consistency with the change of assessed value to 100% of true tax value. Adjusts the amount of the deduction for new manufacturing equipment installed before March 2, 2001, in an economic revitalization area. Requires a county property tax assessment board of appeals or the Indiana board of tax review to consider all evidence relevant to the assessment of real property regardless of whether the evidence was submitted to the township assessor before the assessment of the property. Prohibits disclosure of confidential information by a contractor for the discovery of undervalued or omitted property, and establishes consequences for disclosure. Establishes a property tax exemption for a nonprofit corporation that participates in the small business incubator program. Corrects certain appeal filing periods to the Indiana board of tax review established in HEA 1299-2001. Makes certain amendments with respect to excessive levy appeals. Provides that if a political subdivision does not fix the budget, tax rate, and tax levy for the ensuing budget year, the most recent annual budget and tax levy are continued for the ensuing budget year. Eliminates the requirement for a township trustee to advertise a poor relief tax rate. With respect to bonds and leases: (1) permits an objection petition to the department of local government finance only if a local objection petition was filed; (2) applies certain provisions for objection only if the project cost is more than \$2,000,000; and (3) requires a school corporation to disclose expected new facility operating costs and whether a levy appeal will be made to pay those costs. Makes other changes to property tax administration. Makes numerous changes concerning the independent reassessment of Lake County. Adjusts the distributions of Lake County admissions taxes. Expands eligibility for the economic development for a growing economy (EDGE) tax credit by making the credit available for certain projects to retain existing jobs as well as for projects to create jobs. Eliminates the requirement that an applicant for a job creation credit must verify that the applicant has considered locating the project in at least one other state. Makes numerous changes to the county adjusted gross income tax, the county option income tax, and the county economic development

income tax. Requires the department of state revenue to enter into an agreement with the fiscal officer of an entity that has adopted an innkeeper's tax, a food and beverage tax, or an admissions tax to provide the fiscal officer annually with: (1) the name of each business collecting the taxes; and (2) the amount of money collected from each business. Prohibits the fiscal officer from divulging any information disclosed to the fiscal officer by the department under the agreement. Provides that a trust, life insurance policy, or prepaid funeral agreement is not exempt as a resource in determining Medicaid eligibility unless amounts remaining after delivery of services are payable to the office of Medicaid policy and planning (OMPP) or the applicant's or recipient's estate. Subject to certain limitations, authorizes the OMPP to place a lien on a Medicaid recipient's real property if the office determines that the recipient will not return to live in the property. Permits the enforcement of a lien on amounts that exceed \$125,000. Designates property considered to be part of an estate for Medicaid purposes. Establishes a procedure for and sets a time limit for enforcement of Medicaid claims against an estate. Provides that an area consisting of property that: (1) is located in the city of Marion; and (2) experienced a loss of at least 300 jobs during the year ending December 31, 2001; is added to and becomes a part of the community revitalization enhancement district designated in the city and approved by the budget agency before January 1, 2002. Makes various changes to the professional sports and convention development tax area statutes. Increases the Vanderburgh County innkeeper's tax from 5% to 6%. Designates the revenue generated by the 1% increase to be used for: (1) operating expenses of the convention and visitors commission; and (2) tourism capital improvement. Establishes financial relief for a school corporation that annexes into a township school corporation. Amends City of Gary building authority provisions. Adds certain business entity provisions. Allows an excessive levy appeal for voting systems. Allows school corporations to transfer from various funds to the general fund. Allocates \$20,000,000 from the higher education technology fund to replace general fund appropriations. (This conference committee report: (1) makes Lake County reassessment contract amendments; (2) increases the penalty for failure to file a sales disclosure form; (3) establishes equalization procedures for Marion County; (4) deletes a construction in process property tax abatement provision for Vigo County; (5) specifies circumstances under which local assessing officials may be represented by the attorney general; (6) deletes references to cumulative fund rate adjustments ; (7) provides that contracts for discovery of undervalued and omitted property are subject to the normal approval process, may be on a commission basis, and must require payment after all appeals are finalized; (8) deletes provisions permitting county adjusted gross income tax rate increases in certain counties; (9) adjusts the distribution of Lake County admissions tax revenue; (10) amends Lake county reassessment provisions, including an adjustment of the maximum amount payable for reassessment contracts, eliminating the requirement that an accounting firm be nationally recognized to qualify as a contractor, and requirements for production of information; (11) establishes a property tax exemption for a nonprofit corporation that participates in the small business incubator program; (12) deletes a construction in process property tax abatement provision for Vigo County; (13) deletes the state gross retail tax exemption for broadband service property; (14) deletes authority for Monroe County to raise its county option income tax rate; (15) adjusts property tax abatement filing provisions for a certain taxpayer; (16) deletes a fifty acre property tax exemption for church property; (17) designates property considered to be part of an estate for Medicaid purposes, establishes a procedure for and sets a time limit for enforcement of Medicaid claims against an estate, and raises the lien enforcement amount to \$125,000; (18) establishes school annexation procedures; (19) deletes the provision that the assessed value for property tax purposes of personal property construction in process is 10% of cost; (21) makes further EDGE credit amendments; (22) deletes provisions concerning the reassessment fund, the sales disclosure fund, and equalization in Marion County; (23) amends City of Gary building authority provisions; (24) adds business entity provisions; and (25) adds the excessive levy appeal for voting systems; (26) adds school transfer and allocation provisions; (27) reconciles conflicts with SEA 216, 357, and 399.)

Effective: Upon passage; January 1, 2000 (retroactive); July 1, 2002; January 1, 2003.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1196 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the House recede from its dissent from all Senate amendments and that the House now concur in all Senate amendments to the bill and that the bill be further amended as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 taxation and to make an appropriation.
- 4 Replace the effective dates in SECTIONS 48 through 56 with
- 5 "[EFFECTIVE JANUARY 1, 2003]".
- 6 Page 4, line 30, delete "Eight" and insert "**Nine**".
- 7 Page 4, line 30, delete "(\$0.08)" and insert "(\$0.09)".
- 8 Page 4, line 35, delete "Two" and insert "**One**".
- 9 Page 4, line 35, delete "(\$0.02)" and insert "(\$0.01)".
- 10 Page 5, line 27, after "(b)(2), or" strike "subsection".
- 11 Page 5, line 27, after "(c)(1), or" delete "subsection".
- 12 Page 5, line 39, reset in roman "subsection".
- 13 Page 5, line 40, delete "subsections".
- 14 Page 7, delete lines 3 through 14.
- 15 Page 7, line 26, delete "IC 6-1.1-4-13" and insert "IC 6-1.1-4-13, AS
- 16 AMENDED BY SEA 357-2002, SECTION 36,".
- 17 Page 7, line 39, delete "state board of tax commissioners".
- 18 Page 7, line 39, reset in roman "department of local".
- 19 Page 7, line 40, reset in roman "government finance".

- 1 Page 8, line 7, delete "state board of tax commissioners".
- 2 Page 8, line 7, reset in roman "department of local".
- 3 Page 8, line 8, reset in roman "government finance".
- 4 Page 8, line 38, delete "ADDED" and insert "AMENDED".
- 5 Page 8, line 38, delete "P.L. 198-2001," and insert "SEA 357-2002,
- 6 SECTION 42,".
- 7 Page 8, line 39, delete "SECTION 18,".
- 8 Page 9, line 17, delete "state board of tax commissioners or the".
- 9 Page 9, line 21, delete "state board of tax commissioners or the".
- 10 Page 9, line 23, delete "state board or the".
- 11 Page 9, delete lines 36 through 42 begin a new paragraph and insert:
- 12 "SECTION 9. IC 6-1.1-4-32, AS AMENDED BY SEA 357-2002,
- 13 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 14 UPON PASSAGE]: Sec. 32. (a) **As used in this section, "contract"**
- 15 **refers to a contract entered into under this section.**
- 16 (b) **As used in this section, "contractor" refers to a firm that**
- 17 **enters into a contract with the department of local government**
- 18 **finance under this section.**
- 19 (c) As used in this section, "qualifying county" means a county
- 20 having a population of more than four hundred thousand (400,000) but
- 21 less than seven hundred thousand (700,000).
- 22 ~~(b)~~ (d) Notwithstanding sections 15 and 17 of this chapter, a
- 23 township assessor in a qualifying county may not appraise property, or
- 24 have property appraised, for the general reassessment of real property
- 25 to be completed for the March 1, 2002, assessment date. Completion
- 26 of that general reassessment in a qualifying county is instead governed
- 27 by this section. The only duty of:
- 28 (1) a township assessor in a qualifying county; or
- 29 (2) a county assessor of a qualifying county;
- 30 with respect to that general reassessment is to provide to the
- 31 department of local government finance or the department's contractor
- 32 under subsection ~~(c)~~ (e) any support and information requested by the
- 33 department or the contractor. **This subsection expires June 30, 2004.**
- 34 ~~(c)~~ (e) The department of local government finance shall select and
- 35 contract with a ~~nationally recognized~~ certified public accounting firm
- 36 with expertise in the appraisal of real property to appraise property for
- 37 the general reassessment of real property in a qualifying county to be
- 38 completed for the March 1, 2002, assessment date. **The department**
- 39 **of local government finance may enter into additional contracts to**
- 40 **provide software or other auxiliary services to be used for the**
- 41 **appraisal of property for the general reassessment.** The contract
- 42 applies for the appraisal of land and improvements with respect to all
- 43 classes of real property in the qualifying county. The contract must
- 44 include:
- 45 (1) a provision requiring the appraisal firm to:
- 46 (A) prepare a detailed report of:
- 47 (i) expenditures made after July 1, 1999, and before the date
- 48 of the report from the qualifying county's reassessment fund
- 49 under section 28 of this chapter **(repealed)**; and
- 50 (ii) the balance in the reassessment fund as of the date of the
- 51 report; and

(B) file the report with:

- (i) the legislative body of the qualifying county;
- (ii) the prosecuting attorney of the qualifying county;
- (iii) the department of local government finance; and
- (iv) the attorney general;

(2) a fixed date by which the appraisal firm must complete all responsibilities under the contract;

(3) **subject to subsection (t)**, a provision requiring the appraisal firm to use the land values determined for the qualifying county under section 13.6 of this chapter;

(4) a penalty clause under which the amount to be paid for appraisal services is decreased for failure to complete specified services within the specified time;

(5) a provision requiring the appraisal firm to make periodic reports to the department of local government finance;

(6) a provision stipulating the manner in which, and the time intervals at which, the periodic reports referred to in subdivision (5) are to be made;

(7) a precise stipulation of what service or services are to be provided;

(8) a provision requiring the appraisal firm to deliver a report of the assessed value of each parcel in a township in the qualifying county to the department of local government finance; and

(9) any other provisions required by the department of local government finance.

After December 31, 2001, the department of local government finance has all the powers and duties of the state board of tax commissioners provided under a contract entered into under this subsection (as effective before January 1, 2002) before January 1, 2002. The contract is valid to the same extent as if it were entered into by the department of local government finance. However, a reference in the contract to the state board of tax commissioners shall be treated as a reference to the department of local government finance. The contract shall be treated for all purposes, including the application of IC 33-3-5-2.5, as the contract of the department of local government finance. If the department of local government finance terminates a contract before completion of the work described in this subsection, the department shall contract for completion of the work as promptly as possible under IC 5-22-6. This subsection expires June 30, 2004.

(d) (f) At least one (1) time each month, the contractors that will make physical visits to the site of real property for reassessment purposes shall publish a notice under IC 5-3-1 describing the areas that are scheduled to be visited within the next thirty (30) days and explaining the purposes of the visit. The notice shall be published in a way to promote understanding of the purposes of the visit in the affected areas. After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection (e), the department of local government finance shall give notice to the taxpayer and the county assessor, by mail, of the amount of the reassessment. The notice of reassessment is subject to appeal by the

taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance apply to an appeal under this subsection. A determination by the Indiana board of an appeal under this subsection is subject to appeal to the tax court under IC 6-1.1-15. **This subsection expires on the later of June 30, 2004, or the date a final determination is entered in the last pending appeal filed under this subsection.**

(g) In order to obtain a review by the Indiana board under subsection (f), the taxpayer must file a petition for review with the appropriate county assessor within forty-five (45) days after the notice of the department of local government finance is given to the taxpayer under subsection (f). **This subsection expires June 30, 2004.**

~~(e)~~ (h) The department of local government finance shall mail the notice required by subsection ~~(d)~~ (f) within ninety (90) days after the department receives the report for a parcel from the professional appraisal firm. **This subsection expires June 30, 2004.**

~~(f)~~ (i) The **qualifying county shall pay the cost of a** any contract under this section **which shall be paid without appropriation** from the county property reassessment fund. ~~of the qualifying county established under section 27 of this chapter.~~ **A contractor may periodically submit bills for partial payment of work performed under a contract. However, the maximum amount that the qualifying county is obligated to pay for all contracts entered into under subsection (e) for the general reassessment of real property in the qualifying county to be completed for the March 1, 2002, assessment date is twenty-five million five hundred thousand dollars (\$25,500,000). Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:**

(1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;

(2) obtains from the department of local government finance:
(A) approval of the form and amount of the bill; and
(B) a certification that the billed goods and services billed for payment have been received and comply with the contract;
and

(3) files with the county auditor of the qualifying county:
(A) a duplicate copy of the bill submitted to the department of local government finance;
(B) the proof of approval provided by the department of local government finance of the form and amount of the bill that was approved; and
(C) the certification provided by the department of local government finance that indicates that the goods and services billed for payment have been received and comply with the contract.

An approval and a certification under subdivision (2) shall be

1 treated as conclusively resolving the merits of the claim. Upon
 2 receipt of the documentation described in subdivision (3), the
 3 county auditor shall immediately certify that the bill is true and
 4 correct without further audit, publish the claim as required by
 5 IC 36-2-6-3, and submit the claim to the county executive of the
 6 qualifying county. The county executive shall allow the claim, in
 7 full, as approved by the department of local government finance
 8 without further examination of the merits of the claim in a regular
 9 or special session that is held not less than three (3) days and not
 10 more than seven (7) days after completion of the publication
 11 requirements under IC 36-2-6-3. Upon allowance of the claim by
 12 the county executive, the county auditor shall immediately issue a
 13 warrant or check for the full amount of the claim approved by the
 14 department of local government finance. Compliance with this
 15 subsection shall be treated as compliance with section 28.5 of this
 16 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination
 17 and payment of a claim in compliance with this subsection is not
 18 subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9
 19 do not apply to a claim under this subsection. IC 5-11-10-1.6(d)
 20 applies to a fiscal officer who pays a claim in compliance with this
 21 subsection. This subsection expires June 30, 2004.

22 ~~(g)~~ (j) Notwithstanding IC 4-13-2, a period of seven (7) days is
 23 permitted for each of the following to review and act under IC 4-13-2
 24 on a contract of the department of local government finance under this
 25 section:

- 26 (1) The commissioner of the Indiana department of administration.
- 27 (2) The director of the budget agency.
- 28 (3) The attorney general.
- 29 (4) The governor.

30 ~~(h)~~ (k) With respect to a general reassessment of real property to be
 31 completed under section 4 of this chapter for an assessment date after
 32 the March 1, 2002, assessment date, the department of local
 33 government finance shall initiate a review with respect to the real
 34 property in a qualifying county or a township in a qualifying county, or
 35 a portion of the real property in a qualifying county or a township in a
 36 qualifying county. The department of local government finance may
 37 contract to have the review performed by an appraisal firm. The
 38 department of local government finance or its contractor shall
 39 determine for the real property under consideration and for the
 40 qualifying county or township the variance between:

- 41 (1) the total assessed valuation of the real property within the
- 42 qualifying county or township; and
- 43 (2) the total assessed valuation that would result if the real property
- 44 within the qualifying county or township were valued in the
- 45 manner provided by law.

46 ~~(i)~~ (l) If:

- 47 (1) the variance determined under subsection ~~(h)~~ (k) exceeds ten
- 48 percent (10%); and
- 49 (2) the department of local government finance determines after
- 50 holding hearings on the matter that a special reassessment should
- 51 be conducted;

the department shall contract for a special reassessment by an appraisal firm to correct the valuation of the property.

~~(j)~~ **(m)** If the variance determined under subsection ~~(h)~~ **(k)** is ten percent (10%) or less, the department of local government finance shall determine whether to correct the valuation of the property under:

- (1) sections 9 and 10 of this chapter; or
- (2) IC 6-1.1-14-10 and IC 6-1.1-14-11.

~~(k)~~ **(n)** The department of local government finance shall give notice by mail to a taxpayer of a hearing concerning the department's intent to cause the taxpayer's property to be reassessed under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed. The department of local government finance may conduct a single hearing under this section with respect to multiple properties. The notice must state:

- (1) the time of the hearing;
- (2) the location of the hearing; and
- (3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department of local government finance's intent to reassess property under this chapter.

~~(h)~~ **(o)** If the department of local government finance determines after the hearing that property should be reassessed under this section, the department shall:

- (1) cause the property to be reassessed under this section;
- (2) mail a certified notice of its final determination to the county auditor of the qualifying county in which the property is located; and
- (3) notify the taxpayer by mail of its final determination.

~~(m)~~ **(p)** A reassessment may be made under this section only if the notice of the final determination under subsection ~~(k)~~ **(n)** is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

~~(n)~~ **(q)** If the department of local government finance contracts for a special reassessment of property under this section, the ~~department shall forward the bill for services of the contractor to the county auditor, and the~~ **qualifying** county shall pay the bill, **without appropriation**, from the county **property** reassessment fund. **A contractor may periodically submit bills for partial payment of work performed under a contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:**

- (1) submits, in the form required by IC 5-11-10-1, a fully itemized, certified bill for the costs under the contract of the work performed to the department of local government finance for review;**
- (2) obtains from the department of local government finance:**
 - (A) approval of the form and amount of the bill; and**
 - (B) a certification that the billed goods and services billed for payment have been received and comply with the contract; and**
- (3) files with the county auditor of the qualifying county:**
 - (A) a duplicate copy of the bill submitted to the department**

1 of local government finance;

2 (B) the proof of approval provided by the department of
3 local government finance of the form and amount of the bill
4 that was approved; and

5 (C) the certification provided by the department of local
6 government finance that indicates that the goods and
7 services billed for payment have been received and comply
8 with the contract.

9 An approval and a certification under subdivision (2) shall be
10 treated as conclusively resolving the merits of the claim. Upon
11 receipt of the documentation described in subdivision (3), the
12 county auditor shall immediately certify that the bill is true and
13 correct without further audit, publish the claim as required by
14 IC 36-2-6-3, and submit the claim to the county executive of the
15 qualifying county. The county executive shall allow the claim, in
16 full, as approved by the department of local government finance
17 without further examination of the merits of the claim in a regular
18 or special session that is held not less than three (3) days and not
19 more than seven (7) days after completion of the publication
20 requirements under IC 36-2-6-3. Upon allowance of the claim by
21 the county executive, the county auditor shall immediately issue a
22 warrant or check for the full amount of the claim approved by the
23 department of local government finance. Compliance with this
24 subsection shall be treated as compliance with section 28.5 of this
25 chapter, IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination
26 and payment of a claim in compliance with this subsection is not
27 subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9
28 do not apply to a claim under this subsection. IC 5-11-10-1.6(d)
29 applies to a fiscal officer who pays a claim in compliance with this
30 subsection.

31 ~~(o)~~ (r) A township assessor in a qualifying county or a county
32 assessor of a qualifying county official (as defined in IC 33-3-5-2.5)
33 shall provide information requested in writing by the department of
34 local government finance or the department's contractor under this
35 section not later than seven (7) days after receipt of the written request
36 from the department or the contractor. If a ~~township assessor or county~~
37 ~~assessor~~ **qualifying official (as defined in IC 33-3-5-2.5)** fails to
38 provide the requested information within the time permitted in this
39 subsection, the department of local government finance or the
40 department's contractor may seek an order of the tax court under
41 IC 33-3-5-2.5 for production of the information.

42 ~~(p)~~ (s) The provisions of this section are severable in the manner
43 provided in IC 1-1-1-8(b).

44 (t) A contract entered into under subsection (e) is subject to this
45 subsection. A contractor shall use the land values determined for
46 the qualifying county under section 13.6 of this chapter to the
47 extent that the contractor finds that the land values reflect the true
48 tax value of land, as determined under the statutes and the rules of
49 the department of local government finance. If the contractor finds
50 that the land values determined for the qualifying county under
51 section 13.6 of this chapter do not reflect the true tax value of land,

the contractor shall determine land values for the qualifying county that reflect the true tax value of land, as determined under the statutes and the rules of the department of local government finance. The land values determined by the contractor shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The contractor shall notify the county assessor and the township assessors in the qualifying county of the land values as modified under this subsection. This subsection expires June 30, 2004.

(u) A contractor acting under a contract under subsection (e) may notify the department of local government finance if:

(1) the county auditor fails to:

(A) certify the bill;

(B) publish the claim;

(C) submit the claim to the county executive; or

(D) issue a warrant or check;

as required in subsection (i) at the first opportunity the county auditor is legally permitted to do so;

(2) the county executive fails to allow the claim as required in subsection (i) at the first opportunity the county executive is legally permitted to do so; or

(3) a person or entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts the process under this section for payment of a bill submitted by a contractor under subsection (i).

This subsection expires June 30, 2004.

(v) The department of local government finance, upon receiving notice under subsection (u) from the contractor, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection (b)(1) or (b)(2); or

(B) a person or entity acted or failed to act as described in subsection (b)(3); and

(2) provide to the treasurer of state the department of local government finance's approval under subsection (i)(2)(A) of the bill with respect to which the contractor gave notice under subsection (u).

This subsection expires June 30, 2004.

(w) Upon receipt of the approval of the department of local government finance under subsection (v), the treasurer of state shall pay the contractor the amount of the bill approved by the department of local government finance from money in the possession of the state that would otherwise be available for distribution to the qualifying county, including distributions from the property tax replacement fund or distributions of admissions taxes or wagering taxes. This subsection expires June 30, 2004.

(x) The treasurer of state shall withhold from the part attributable to the county of the next distribution to the county treasurer under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or

another law the amount of any payment made by the treasurer of state to the contractor under subsection (w). Money shall be deducted first from money payable under IC 6-1.1-21.4(b) and then from all other funds payable to the qualifying county. This subsection expires June 30, 2004.

(y) Compliance with subsections (u) through (x) shall be treated as compliance with IC 5-11-10. This subsection expires June 30, 2004.

(z) IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections (u) through (x). This subsection and subsections (u) through (y) shall be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county under this section are paid. Nothing in this subsection or subsections (u) through (y) shall be construed to create a debt of the state. This subsection expires June 30, 2004."

Delete pages 10 through 18.

Page 19, delete lines 1 through 28.

Page 20, delete lines 25 through 42.

Page 21, delete lines 1 through 2.

Page 21, line 30, delete "twenty-five" and insert "**one hundred**".

Page 21, line 30, delete ""(\$25)" and insert "(\$100)".

Page 21, line 31, delete "twenty five" and insert "**twenty-five**".

Page 21, line 31, delete "of one".

Page 21, line 31, delete "(.025%)" and insert "**(0.025%)**".

Page 22, delete lines 9 through 20.

Page 22, delete lines 40 through 42.

Page 23, delete lines 1 through 22.

Page 23, between lines 22 and 23, begin a new paragraph and insert:
"SECTION 15. IC 6-1.1-10-42 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: **Sec. 42. (a) A corporation that is:**

(1) nonprofit; and

(2) participates in the small business incubator program under IC 4-4-18;

is exempt from property taxation to the extent of tangible property used for small business incubation.

(b) A corporation that wishes to obtain an exemption from property taxation under this section must file an exemption application under IC 6-1.1-11."

Page 24, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 17. IC 6-1.1-11-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 10. Each county auditor shall, on behalf of the county, collect a fee of two dollars (\$2) for each exemption application filed with him under this chapter. Each fee shall be accounted for and paid into the county general fund at the close of each month in the same manner as are other fees due the county. No other fee may be charged by a county auditor, or his the county auditor's employees, for filing or preparing an exemption application."**

- 1 Page 29, delete lines 40 through 42.
- 2 Delete pages 30 through 35.
- 3 Page 36, delete line 1.
- 4 Page 37, line 27, after "appeals." insert **"If after the conference**
- 5 **there are no items listed in the petition on which there is**
- 6 **disagreement:**
- 7 (1) the township assessor shall give notice to the petitioner, the
- 8 county property tax assessment board of appeals, and the
- 9 county assessor of the assessment in the amount agreed to by
- 10 the petitioner and the township assessor; and
- 11 (2) the county property tax assessment board of appeals may
- 12 reserve the right to change the assessment under IC 6-1.1-9.".
- 13 Page 37, line 27, begin a new line blocked left beginning with "If".
- 14 Page 37, line 29, after "the" insert **"county"**.
- 15 Page 40, line 9, after "assessor." begin a new paragraph and insert
- 16 **"(f)"**.
- 17 Page 40, line 11, delete "court," and insert "court
- 18 (1)".
- 19 Page 40, line 14, delete "budget." and insert "budget; and
- 20 (2) the petitioner may not be represented by the attorney
- 21 general in an action described in subdivision (1).".
- 22 Page 41, line 17, delete "P.L. 198-2001," and insert "SEA 357-2002,
- 23 SECTION 139,".
- 24 Page 41, line 18, delete "SECTION 48,".
- 25 Page 41, line 19, reset in bold "(a)".
- 26 Page 41, line 24, delete "In a case meeting the requirements of
- 27 section 5(e)(1) or".
- 28 Page 41, line 25, delete "5(e)(2) of this chapter,".
- 29 Page 41, line 25, reset in bold "The county executive".
- 30 Page 41, line 26, reset in bold "also has a right to appeal the".
- 31 Page 41, line 26, delete "Indiana board's".
- 32 Page 41, line 26, reset in bold "final determination of the".
- 33 Page 41, line 27, reset in bold "reassessment".
- 34 Page 41, line 28, reset in bold "but only upon".
- 35 Page 41, line 29, reset in bold "request by the county assessor".
- 36 Page 41, reset in bold line 30.
- 37 Page 41, line 31, reset in bold "prescribed in section".
- 38 Page 41, line 31, delete "5".
- 39 Page 41, line 31, reset in bold "of this chapter".
- 40 Page 41, line 42, delete "IC 6-1.1-17-3" and insert "IC 6-1.1-17-3, AS
- 41 AMENDED BY SEA 357-2002, SECTION 148,".
- 42 Page 42, line 4, delete "state board of tax commissioners".
- 43 Page 42, line 4, reset in roman "department of local government".
- 44 Page 42, line 5, reset in roman "finance".
- 45 Page 42, line 29, delete "P.L. 178-2001," and insert "SEA 399-2002,
- 46 SECTION 19,".
- 47 Page 42, line 30, delete "SECTION 1,".
- 48 Page 42, line 39, delete "ninety thousand".
- 49 Page 42, line 40, delete "(90,000) but less than one hundred ten
- 50 thousand (110,000),".
- 51 Page 42, line 40, reset in roman "one".

- 1 Page 42, reset in roman line 41.
- 2 Page 42, line 42, reset in roman "twenty thousand (120,000),".
- 3 Page 44, block indent lines 27 through 34.
- 4 Page 44, delete lines 35 through 42.
- 5 Delete page 45.
- 6 Page 46, delete lines 1 through 32.
- 7 Page 46, line 33, delete "IC 6-1.1-18.5-12" and insert "IC
- 8 6-1.1-18.5-12, AS AMENDED BY SEA 357-2002, SECTION 167,".
- 9 Page 46, line 39, delete "state board of tax commissioners".
- 10 Page 46, line 39, reset in roman "department of local".
- 11 Page 46, line 40, reset in roman "government finance".
- 12 Page 47, line 3, delete "state board of tax commissioners".
- 13 Page 47, line 3, reset in roman "department of local".
- 14 Page 47, line 4, reset in roman "government finance".
- 15 Page 48, between lines 1 and 2, begin a new paragraph and insert:
- 16 "SECTION 101. IC 6-1.1-18.5-13.6 IS ADDED TO THE INDIANA
- 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 18 [EFFECTIVE UPON PASSAGE]: **Sec. 13.6. For an appeal filed**
- 19 **under section 12 of this chapter, the local government tax control**
- 20 **board may recommend that the department of local government**
- 21 **finance give permission to a county to increase its levy in excess of**
- 22 **the limitations established under section 3 of this chapter if the**
- 23 **local government tax control board finds that the county needs the**
- 24 **increase to pay for:**
- 25 (1) a new voting system; or
- 26 (2) the expansion or upgrade of an existing voting system;
- 27 **under IC 3-11-6."**
- 28 Page 48, line 2, delete "IC 6-1.1-19-2" and insert "IC 6-1.1-19-2, AS
- 29 AMENDED BY SEA 357-2002, SECTION 175,".
- 30 Page 48, line 20, delete "state board of tax".
- 31 Page 48, line 21, delete "commissioners".
- 32 Page 48, line 21, reset in roman "department of local government
- 33 finance".
- 34 Page 48, line 35, delete "state board of tax".
- 35 Page 48, line 36, delete "commissioners,".
- 36 Page 48, line 36, reset in roman "department of local government
- 37 finance,".
- 38 Page 48, line 36, delete "board".
- 39 Page 48, line 37, reset in roman "department".
- 40 Page 48, line 41, delete "state board of tax commissioners".
- 41 Page 48, line 41, reset in roman "department of local".
- 42 Page 48, line 42, reset in roman "government finance".
- 43 Page 49, line 1, delete "board".
- 44 Page 49, line 1, reset in roman "department".
- 45 Page 51, line 20, delete "IC 6-1.1-20-3.2" and insert "IC 6-1.1-20-3.2,
- 46 AS AMENDED BY SEA 357-2002, SECTION 192,".
- 47 Page 53, line 29, delete "state board of tax commissioners" and insert
- 48 "department of local government finance".
- 49 Page 53, line 41, strike "IC 6-1.1-26-1-4(ii)" and insert "**section**
- 50 **1(4)(ii)"**.
- 51 Page 53, line 41, strike "IC 6-1.1-26-1-4(iii)." and insert "**1(4)(iii) of**

- 1 **this chapter."**
- 2 Page 58, line 2, strike "of this section".
- 3 Page 59, line 2, after "a" insert **"properly approved"**.
- 4 Page 59, line 4, after "assessment." insert **"The contract must**
- 5 **prohibit payment to the contractor for discovery of undervaluation**
- 6 **or omission with respect to a parcel or personal property return**
- 7 **before all appeals of the assessment of the parcel or the assessment**
- 8 **under the return have been finalized."**
- 9 Page 59, line 18, delete "commission or".
- 10 Page 60, delete lines 9 through 42.
- 11 Page 61, delete lines 1 through 4.
- 12 Page 62, line 35, delete "is at least equal to" and inserts **"exceeds"**.
- 13 Page 62, line 37, after "located" insert **"by at least five percent**
- 14 **(5%)"**.
- 15 Page 62, line 38, delete "one" and insert **"two"**.
- 16 Page 62, line 38, delete "(100)" and insert **"(200)"**.
- 17 Page 63, line 17, delete "\$1)" and insert **"and fifty cents (\$1.50)"**.
- 18 Page 64, line 11, after "18." insert **"(a)"**.
- 19 Page 64, between lines 21 and 22, begin a new paragraph and insert:
- 20 **"(b) For state fiscal years 2004 and 2005, the aggregate amount**
- 21 **of credits awarded under this chapter for projects to retain existing**
- 22 **jobs in Indiana may not exceed five million dollars (\$5,000,000) per**
- 23 **year.**
- 24 Page 65, line 18, after "19.5." insert **"(a)"**.
- 25 Page 66, between lines 9 and 10, begin a new line block indented and
- 26 insert:
- 27 **"(7) A requirement that the chief executive officer of the**
- 28 **company applying for a credit under this chapter must verify**
- 29 **under penalty of perjury that the disparity between projected**
- 30 **costs of the applicant's project in Indiana compared with the**
- 31 **costs for the project in a competing site is real and actual."**
- 32 Page 66, line 10, delete "(7)" and insert **"(8)"**.
- 33 Page 66, between lines 11 and 12, begin a new paragraph and insert:
- 34 **"(b) An agreement between an applicant and the board must be**
- 35 **submitted to the budget committee for review and must be**
- 36 **approved by the budget agency before an applicant is awarded a**
- 37 **credit under this chapter for a project to retain existing jobs in**
- 38 **Indiana."**
- 39 Page 66, line 30 delete "(1/2)" and insert **"(1/2)"**.
- 40 Page 72, line 15, delete "in" and insert **"if"**.
- 41 Page 73, line 27, delete "IC 6-3.5-1.1-9.5" and insert **"IC**
- 42 **6-3.5-1.1-9.5, AS AMENDED BY SEA 357-2002, SECTION 292,"**.
- 43 Page 74, line 28, delete "state board of tax commissioners." and
- 44 insert "department of local government finance."
- 45 Page 74, line 29, delete "state board of tax commissioners" and insert
- 46 "department of local government finance".
- 47 Page 74, line 40, strike "IC 6-3.5-1.1-15)" and insert **"section 15 of**
- 48 **this chapter)"**.
- 49 Page 77, delete lines 28 through 42.
- 50 Delete page 78.
- 51 Page 79, delete lines 1 through 18.

- 1 Page 80, line 23, delete "Sec. 17. 2." and insert "**Sec. 17.2.**".
- 2 Page 80, line 30, delete "IC 6-3.5-6-17.4;" and insert "**section 17.4**
- 3 **of this chapter;**".
- 4 Page 80, line 31, delete "IC 6-3.5-6-17.5;" and insert "**section 17.5**
- 5 **of this chapter;**".
- 6 Page 80, line 32, delete "IC 6-3.5-6-17.6;" and insert "**section 17.6**
- 7 **of this chapter;**".
- 8 Page 80, line 36, delete "Sec. 17. 3." and insert "**Sec. 17.3.**".
- 9 Page 81, line 7, delete "IC 6-3.5-6-17.4" and insert "IC 6-3.5-6-17.4,
- 10 AS AMENDED BY SEA 399-2002, SECTION 33,".
- 11 Page 81, line 10, delete "seven hundred (36,700)" and insert
- 12 "seventy-five (36,075)".
- 13 Page 89, line 39, delete "state board of tax" and insert "**department**
- 14 **of local government finance**".
- 15 Page 89, line 40, delete "commissioners".
- 16 Page 92, delete lines 7 through 11.
- 17 Page 94, delete lines 26 through 32.
- 18 Page 98, line 6, after "or" insert "**a**".
- 19 Page 98, line 11, delete "age".
- 20 Page 98, line 11, delete "(55)." and insert "**(55) years of age.**".
- 21 Page 98, line 29, delete "institution "" and insert "**institution**".
- 22 Page 99, line 21, after "recipient's" insert "**interest in**".
- 23 Page 99, line 23, delete "or" and insert "**and**".
- 24 Page 99, line 33, delete "No lien shall" and insert "**A lien may not**".
- 25 Page 99, line 33, after "filed" insert "**for at least thirty (30) days**
- 26 **after the notice is given and**".
- 27 Page 100, line 16, delete "office." and insert "**office on the Medicaid**
- 28 **recipient's interest in the real property.**".
- 29 Page 100, delete line 18 and insert: "**lien:**
- 30 **(1) is satisfied;**
- 31 **(2) is released; or**
- 32 **(3) expires.**".
- 33 Page 100, between lines 24 and 25, begin a new line blocked left and
- 34 insert:
- 35 "**The lien automatically expires unless the office commences a**
- 36 **foreclosure action not later than nine (9) months after the**
- 37 **Medicaid recipient's death.**".
- 38 Page 101, line 10, delete "was discharged from" and insert "**is no**
- 39 **longer living in**".
- 40 Page 101, delete lines 17 through 22, begin a new paragraph and
- 41 insert:
- 42 "**Sec. 10. (a) An exemption from the lien in the amount of one**
- 43 **hundred twenty-five thousand dollars (\$125,000) applies to the:**
- 44 **(1) interest, in the case of a single interest; or**
- 45 **(2) combined total interests, in the case of multiple interests;**
- 46 **of the Medicaid recipient in all property subject to the lien.**".
- 47 Page 101, line 37, after "farm," insert "**a**".
- 48 Page 101, line 38, before "income" insert "**an**".
- 49 Page 102, line 8, after "Sec. 0.5." insert "**(a)**".
- 50 Page 102, line 11, delete "and".

Page 102, delete lines 12 through 26, begin a new line block indented and insert:

"(2) any interest in real property owned by the individual at the time of death that was conveyed to the individual's survivor through joint tenancy with right of survivorship, if the joint tenancy was created after June 30, 2002; and

(3) any real or personal property conveyed through a nonprobate transfer.

(b) As used in this chapter, "nonprobate transfer" means a valid transfer, effective at death, by a transferor:

(1) whose last domicile was in Indiana; and

(2) who immediately before death had the power, acting alone, to prevent transfer of the property by revocation or withdrawal and:

(A) use the property for the benefit of the transferor; or

(B) apply the property to discharge claims against the transferor's probate estate.

The term does not include transfer of a survivorship interest in a tenancy by the entireties real estate, transfer of a life insurance policy or annuity, or payment of the death proceeds of a life insurance policy or annuity."

Page 102, line 29, delete "This section applies only" and insert **"The office's claim against assets that are not included in the individual's probate estate may be enforced as set out in IC 32-4-1.1.**

(b) Enforcement of a claim against assets that are not included in an individual's probate estate must be commenced not more than nine (9) months after the decedent's death. This limit does not apply to any assets that were not reported to the local office of the division of family and children."

Page 102, delete lines 30 through 34.

Page 102, delete lines 38 through 42 and insert **"to real property owned by the individual at the time of death that was conveyed to the individual's survivor through joint tenancy with right of survivorship.**

(b) The office may enforce its claim against property described in subsection (a) only to the extent that the value of the recipient's combined total interest in all real property described in subsection (a) subject to the claim exceeds one hundred twenty-five thousand dollars (\$125,000).

(c) This section expires January 1, 2008."

Page 103, delete lines 1 through 12.

Page 107, line 25, delete "(c)" and insert "(d)".

Page 107, between lines 26 and 27, begin a new paragraph and insert:

"SECTION 87. IC 21-2-4-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. (a) The governing body of a school corporation may adopt a resolution to transfer after June 30, 2002, and before January 1, 2003, money that is:

(1) not greater than the remainder of the amount described in IC 21-3-1.7-8 STEP TWO (C) minus the amount transferred

1 under IC 21-2-11.5-5(a) and IC 21-2-15-13.1(a); and
 2 (2) on deposit in the school corporation's debt service fund;
 3 to the school corporation's general fund for use for any general
 4 fund purpose.

5 (b) The governing body of a school corporation may adopt a
 6 resolution to transfer after December 31, 2002, and before July 1,
 7 2003, money that is:

8 (1) not greater than the remainder of the amount described in
 9 IC 21-3-1.7-8 STEP TWO (D) minus the amount transferred
 10 under IC 21-2-11.5-5(b) and IC 21-2-15-13.1(b); and
 11 (2) on deposit in the school corporation's debt service fund;
 12 to the school corporation's general fund for use for any general
 13 fund purpose.

14 (c) This section expires July 1, 2003.

15 SECTION 88. IC 21-2-11.5-5 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2002]: Sec. 5. (a) The governing body of a school corporation
 18 may adopt a resolution to transfer after June 30, 2002, and before
 19 January 1, 2003, money that is:

20 (1) not greater than the remainder of the amount described in
 21 IC 21-3-1.7-8 STEP TWO (C) minus the amount transferred
 22 under IC 21-2-4-7(a) and IC 21-2-15-13.1(a); and
 23 (2) on deposit in the school corporation's:
 24 (A) transportation fund;
 25 (B) school bus replacement fund; or
 26 (C) both the transportation fund and school bus replacement
 27 fund;
 28 to the school corporation's general fund for use for any general
 29 fund purpose.

30 (b) The governing body of a school corporation may adopt a
 31 resolution to transfer after December 31, 2002, and before July 1,
 32 2003, money that is:

33 (1) not greater than the remainder of the amount described in
 34 IC 21-3-1.7-8 STEP TWO (D) minus the amount transferred
 35 under IC 21-2-4-7(b) and IC 21-2-15-13.1(b); and
 36 (2) on deposit in the school corporation's:
 37 (A) transportation fund;
 38 (B) school bus replacement fund; or
 39 (C) both the transportation fund and school bus replacement
 40 fund;
 41 to the school corporation's general fund for use for any general
 42 fund purpose.

43 (c) This section expires July 1, 2003.

44 SECTION 89. IC 20-4-57 IS ADDED TO THE INDIANA CODE AS
 45 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
 46 PASSAGE]:

47 **Chapter 57. Annexation of a Township School Corporation**

48 **Sec. 1.** As used in this chapter, "annexing corporation" refers to
 49 a school corporation that has annexed all or part of any territory
 50 of a township school.

51 **Sec. 2.** As used in this chapter, "department" refers to the

department of education.

Sec. 3. As used in this chapter, "township" refers to a township where any part of a township school was located.

Sec. 4. As used in this chapter, "township school" refers to:

- (1) a township school that loses territory to an annexing corporation as a result of an annexation;
- (2) the township school's successor; or
- (3) the township.

Sec. 5. (a) An annexing corporation may file a petition of appeal with the department of local government finance for emergency financial relief.

(b) The annexing corporation shall serve the petition on the following:

- (1) The department.
- (2) The township.
- (3) The township school.
- (4) Any other annexing corporation that annexed the township school on the same date.

(c) All annexing corporations are parties to the petition.

Sec. 6. If the department of local government finance receives a petition of appeal under section 5 of this chapter, the department of local government finance shall submit the petition to the school property tax control board established under IC 6-1.1-19-4.1 for a fact finding hearing.

Sec. 7. (a) If the department of local government finance submits a petition to the school property tax control board under section 5 of this chapter, the school property tax control board shall hold a fact finding hearing.

(b) At a hearing described in subsection (a), the school property tax control board shall determine the following:

(1) Whether the township school has made all payments required by any statute, including the following:

(A) P.L.32-1999.

(B) IC 20-4-4-7 and IC 20-4-16-3.

(C) The resolution or plan of annexation of the township school, including:

- (i) any amendment to the resolution or plan;
- (ii) any supporting or related documents; and
- (iii) any agreement between the township school and an annexing corporation relating to the winding up of affairs of the township school.

(2) The amount, if any, by which the township school is in arrears on any payment described in subdivision (1).

(3) Whether the township school has filed with the department all reports concerning the affairs of the township school, including all transfer tuition reports required for the two (2) school years immediately preceding the date on which the township school was annexed.

(c) In determining the amount of arrears under subsection (b)(2), the school property tax control board shall consider all amounts due to an annexing corporation, including the following:

(1) Any transfer tuition payments due to the annexing corporation.

(2) All levies, excise tax distributions, and state distributions received by the township school and due to the annexing corporation, including levies and distributions received by the township school after the date on which the township school was annexed.

(3) All excessive levies that the township school agreed to impose and pay to an annexing corporation but failed to impose.

(d) If, in a hearing under this section, a school property tax control board determines that a township school has:

(1) under subsection (b)(1), failed to make a required payment;

or

(2) under subsection (b)(3), failed to file a required report;

the department may act under section 8 of this chapter.

Sec. 8. (a) If a school property tax control board makes a determination under section 7(d) of this chapter, the department:

(1) may prohibit a township from:

(A) acquiring real estate;

(B) making a lease or incurring any other contractual obligation calling for an annual outlay by the township exceeding ten thousand dollars (\$10,000);

(C) purchasing personal property for a consideration greater than ten thousand dollars (\$10,000); and

(D) adopting or advertising a budget, tax levy, or tax rate for any calendar year;

until the township school has made all required payments under section 7(b)(1) of this chapter and filed all required reports under section 7(b)(3) of this chapter; and

(2) shall certify to the treasurer of state the amount of arrears determined under section 7(b)(3) of this chapter.

(b) Upon being notified of the amount of arrears certified under subsection (a)(2), the treasurer of state shall make payments from the funds of state to the extent, but not in excess, of any amounts appropriated by the general assembly for distribution to the township school, deducting the payments from any amount distributed to the township school.

Sec. 9. The department may grant permission to a township school or a township to impose an excess levy to satisfy its obligations under this chapter."

Page 107, line 27, delete "IC 21-2-15-11" and insert "IC 21-2-15-11, AS AMENDED BY SEA 357-2002, SECTION 448,".

Page 107, line 37, delete "effect" and insert "effect."

Page 107, line 37, delete "for taxes payable in the year that immediately" and insert "The adjusted property tax rate becomes the new maximum property tax rate for the levy for property taxes first due and payable in each year:

(1) after the general reassessment for which the adjustment was made takes effect; and

(2) before the next general reassessment takes effect."

- 1 Page 107, delete lines 38 through 40.
- 2 Page 107, line 41, reset in roman "new".
- 3 Page 107, line 41, delete "for taxes payable in".
- 4 Page 107, delete line 42.
- 5 Page 108, line 1, delete "reassessment of property takes effect".
- 6 Page 108, line 28, delete "state board of tax commissioners".
- 7 Page 108, line 28, reset in roman "department of local".
- 8 Page 108, line 29, reset in roman "government finance".
- 9 Page 108, between lines 30 and 31, begin a new paragraph and
- 10 insert:
- 11 "SECTION 71. IC 21-2-15-13.1 IS ADDED TO THE INDIANA
- 12 CODE AS A NEW SECTION TO READ AS FOLLOWS
- 13 [EFFECTIVE JULY 1, 2002]: **Sec. 13.1. (a) The governing body of**
- 14 **a school corporation may adopt a resolution to transfer after June**
- 15 **30, 2002, and before January 1, 2003, money that is:**
- 16 **(1) not greater than the remainder of the amount described in**
- 17 **IC 21-3-1.7-8 STEP TWO (C) minus the amount transferred**
- 18 **under IC 21-2-4-7(a) and IC 21-2-11.5-5(a); and**
- 19 **(2) on deposit in the school corporation's capital projects fund;**
- 20 **to the school corporation's general fund for use for any general**
- 21 **fund purpose.**
- 22 **(b) The governing body of a school corporation may adopt a**
- 23 **resolution to transfer after December 31, 2002, and before July 1,**
- 24 **2003, money that is:**
- 25 **(1) not greater than the remainder of the amount described in**
- 26 **IC 21-3-1.7-8 STEP TWO (D) minus the amount transferred**
- 27 **under IC 21-2-4-7(b) and IC 21-2-11.5-5(b); and**
- 28 **(2) on deposit in the school corporation's capital projects fund;**
- 29 **to the school corporation's general fund for use for any general**
- 30 **fund purpose.**
- 31 **(c) This section expires July 1, 2003.**
- 32 SECTION 73. IC 21-3-1.7-3.1, AS AMENDED BY P.L.291-2001,
- 33 SECTION 240, IS AMENDED TO READ AS FOLLOWS
- 34 [EFFECTIVE JULY 1, 2002]: Sec. 3.1. (a) As used in this chapter,
- 35 "previous year revenue" for calculations with respect to a school
- 36 corporation equals:
- 37 (1) the school corporation's tuition support for regular programs,
- 38 including basic tuition support, and excluding:
- 39 (A) special education grants;
- 40 (B) vocational education grants;
- 41 (C) at-risk programs;
- 42 (D) the enrollment adjustment grant;
- 43 (E) for 1999 and thereafter, the academic honors diploma award;
- 44 and
- 45 (F) for 2001 and thereafter, the primetime distribution;
- 46 for the year that precedes the current year; plus
- 47 (2) the school corporation's tuition support levy for the year that
- 48 precedes the current year before the reductions required under
- 49 section 5(1), 5(2), and 5(3) of this chapter; plus
- 50 (3) distributions received by the school corporation under
- 51 IC 6-1.1-21.6 for the year that precedes the current year; plus

(4) the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus
 (5) an amount equal to the reduction in the school corporation's tuition support under subsection (b) or IC 20-10.1-2-1, or both; **plus**
(6) in calendar year 2003, the amount determined for calendar year 2002 under section 8 of this chapter, STEP TWO (C); plus
(7) in calendar year 2004, the amount determined for calendar year 2002 under section 8 of this chapter, STEP TWO (D).

(b) A school corporation's previous year revenue shall be reduced if:
 (1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and
 (2) the school corporation's previous year revenue has not been reduced under this subsection more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

SECTION 75. IC 21-3-1.7-8, AS AMENDED BY P.L.291-2001, SECTION 95, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE:

(A) For a school corporation not described in clause (B), determine the school corporation's result under STEP FIVE of section 6.7(b) of this chapter for the calendar year.

(B) For a school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under STEP ONE (A) of section 6.7(b) of this chapter, determine the sum of:

- (i) the school corporation's result under STEP ONE of section 6.7(b) of this chapter for the calendar year; plus
- (ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus
- (iii) the original amount of an excessive tax levy the school corporation imposed as a result of the passage, during the preceding year, of a referendum under IC 6-1.1-19-4.5(c) for taxes first due and payable during the year; plus
- (iv) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

STEP TWO: Determine the remainder of:

~~(A) the STEP ONE amount; minus~~

~~(B) the sum of:~~

(i) ~~(A)~~ the school corporation's tuition support levy; ~~plus~~
 (ii) ~~(B)~~ the school corporation's excise tax revenue for the year
 that precedes the current year by one (1) year;
 (C) **for the last six (6) months of calendar year 2002, the**
product of:

(i) **the school corporation's assessed valuation for calendar**
year 2002 divided by one hundred (100); multiplied by

(ii) **the lesser of three hundred twenty-eight**
ten-thousandths (0.0328) or the school corporation's
capital projects fund tax rate for calendar year 2002
multiplied by five-tenths (0.5); and

(D) **for the first six (6) months of calendar year 2003, the**
product of:

(i) **the school corporation's assessed valuation for calendar**
year 2002 divided by one hundred (100); multiplied by

(ii) **the lesser of three hundred twenty-eight**
ten-thousandths (0.0328) or the school corporation's
capital projects fund tax rate for calendar year 2002
multiplied by five-tenths (0.5).

STEP THREE: Determine the remainder of the STEP ONE
amount minus the STEP TWO result.

If the state tuition support determined for a school corporation under
 this section is negative, the school corporation is not entitled to any
 state tuition support. In addition, the school corporation's maximum
 general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount
 of the negative result.

SECTION 76. IC 21-3-1.7-9, AS AMENDED BY SEA 216-2002,
 SECTION 87, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 JULY 1, 2002]: Sec. 9. (a) Subject to the amount appropriated by the
 general assembly for tuition support, the amount that a school
 corporation is entitled to receive in tuition support for a year is the
 amount determined in section 8 of this chapter.

(b) If the total amount to be distributed as tuition support under this
 chapter, for enrollment adjustment grants under section 9.5 of this
 chapter, for at-risk programs under section 9.7 of this chapter, for
 academic honors diploma awards under section 9.8 of this chapter, ~~and~~
 for primetime distributions under IC 21-1-30, **for special education**
grants under IC 21-3-2.1, and for vocational education grants
under IC 21-3-12 for a particular year, exceeds:

(1) three billion three hundred sixty-three million four hundred
 thousand dollars (\$3,363,400,000) in 2001;

(2) ~~three billion four hundred seventy-one million one hundred~~
~~thousand dollars (\$3,471,100,000)~~ **three billion four hundred**
thirty-seven million one hundred thousand dollars
(\$3,437,100,000) in 2002; and

(3) ~~three billion five hundred ninety-four million two hundred~~
~~thousand dollars (\$3,594,200,000)~~ **three billion five hundred**
thirty-six million five hundred thousand dollars
(\$3,536,500,000) in 2003;

the amount to be distributed for tuition support under this chapter to
 each school corporation during each of the last six (6) months of the

year shall be reduced by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1) so that the total reductions equal the amount of the excess.

SECTION 77. IC 21-3-2.1 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

Chapter 2.1. Special Education Grants

Sec. 1. The definitions in IC 21-3-1.6 apply throughout this chapter.

Sec. 2. In addition to the amount a school corporation is entitled to receive in tuition support, each school corporation is entitled to receive a grant for special education programs. The amount of the special education grant is based on the count of eligible pupils enrolled in special education programs on December 1 of the preceding year in the corporation or in a transferee corporation.

Sec. 3. (a) In its nonduplicated count of pupils in programs for severe disabilities, a school corporation shall count each pupil served in any one (1) of the following programs:

- (1) Autism.
- (2) Dual sensory impairment.
- (3) Emotional handicap, full time.
- (4) Hearing impairment.
- (5) Severe mental handicap.
- (6) Multiple handicap.
- (7) Orthopedic impairment.
- (8) Traumatic brain injury.
- (9) Visual impairment.

(b) A pupil may be counted in only one (1) of the programs in this section even if the pupil is served in more than one (1) program.

(c) A pupil may not be included in the nonduplicated count in this section and in the nonduplicated count of pupils in programs for mild or moderate disabilities in section 4 of this chapter.

Sec. 4. (a) In its nonduplicated count of pupils in programs for mild and moderate disabilities, a school corporation shall count each pupil served in any one (1) of the following programs:

- (1) Emotional handicap, all other.
- (2) Learning disability.
- (3) Mild mental handicap.
- (4) Moderate mental handicap.
- (5) Other health impairment.

(b) A pupil may be counted in only one (1) of the programs in this section even if the pupil is served in more than one (1) program.

(c) A pupil may not be included in the nonduplicated count in this section and in the nonduplicated count of pupils in programs for severe disabilities in section 3 of this chapter.

Sec. 5. In its duplicated count of pupils in programs for communication disorders, a school corporation shall count each pupil served, even if the pupil is served in another special education program.

Sec. 6. (a) In its cumulative count of pupils in homebound programs, a school corporation shall count each pupil who

received homebound instruction up to and including December 1 of the current year plus each pupil who received homebound instruction after December 1 of the prior school year.

(b) A school corporation may include a pupil in its cumulative count of pupils in homebound programs even if the pupil also is included in its nonduplicated count of pupils in programs for severe disabilities, its nonduplicated count of pupils in programs for mild and moderate disabilities, or its duplicated count of pupils in programs for communication disorders.

Sec. 7. The amount of the grant that a school corporation is entitled to receive for special education programs is equal to:

(1) the nonduplicated count of pupils in programs for severe disabilities multiplied by:

(A) eight thousand forty-five dollars (\$8,045) in 2002; and

(B) eight thousand two hundred forty-six dollars (\$8,246) in 2003; plus

(2) the nonduplicated count of pupils in programs of mild and moderate disabilities multiplied by:

(A) two thousand one hundred eighty-three dollars (\$2,183) in 2002; and

(B) two thousand two hundred thirty-eight dollars (\$2,238) in 2003; plus

(3) the duplicated count of pupils in programs for communication disorders multiplied by:

(A) five hundred eighteen dollars (\$518) in 2002; and

(B) five hundred thirty-one dollars (\$531) in 2003; plus

(4) the cumulative count of pupils in homebound programs multiplied by:

(A) five hundred eighteen dollars (\$518) in 2002; and

(B) five hundred thirty-one dollars (\$531) in 2003.

Sec. 8. Participation in a program is not required to the extent of full-time equivalency. The Indiana state board of education shall adopt rules further defining the nature and extent of participation and the type of program qualifying for approval. No count shall be made on any program that has not been approved by the Indiana state board of education or where a pupil is not participating to the extent required by any rule of the board.

Sec. 9. If a new special education program is created by rule of the Indiana state board of education or by the United States Department of Education, the Indiana state board of education shall determine whether the program shall be included in the list of programs for severe disabilities or in the list of programs for mild and moderate disabilities.

Sec. 10. This chapter expires January 1, 2004.

SECTION 89. IC 23-1-23-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A corporate name:

(1) must contain the word "corporation", "incorporated", "company", or "limited", or the abbreviation "corp.", "inc.", "co.", or "Ltd.", or words or abbreviations of like import in another language; and

(2) except as provided in subsection (e), may not contain language stating or implying that the corporation is organized for a purpose other than that permitted by IC 23-1-22-1 and its articles of incorporation.

(b) Except as authorized by subsections (c) and (d), a corporate name must be distinguishable upon the records of the secretary of state from:

(1) the corporate name of a corporation **or other business entity** incorporated or authorized to transact business in Indiana;

(2) a corporate name reserved or registered under section 2 or 3 of this chapter; and

(3) the corporate name of a not-for-profit corporation incorporated or authorized to transact business in Indiana.

(c) A corporation may apply to the secretary of state for authorization to use a name that is not distinguishable upon the secretary of state's records from one (1) or more of the names described in subsection (b).

The secretary of state shall authorize use of the name applied for if:

(1) the other corporation files its written consent to the use, signed by any current officer of the corporation; or

(2) the applicant delivers to the secretary of state a certified copy of the final judgment of a court of competent jurisdiction establishing the applicant's right to use the name applied for in Indiana.

(d) A corporation may use the name, including the fictitious name, of another domestic or foreign corporation that is used in Indiana if the other corporation is incorporated or authorized to transact business in Indiana and the proposed user corporation:

(1) has merged with the other corporation;

(2) has been formed by reorganization of the other corporation; or

(3) has acquired all or substantially all of the assets, including the corporate name, of the other corporation.

(e) A bank holding company (as defined in 12 U.S.C. 1841) may use the word "bank" or "banks" as a part of its name. However, this subsection does not permit a bank holding company to advertise or represent itself to the public as affording the services or performing the duties that a bank or trust company only is entitled to afford and perform.

(f) Except as provided in IC 23-1-49-6, this article does not control the use of fictitious names.

SECTION 90. IC 23-1-38.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 38.5. Domestication and Conversion

Sec. 1. The following definitions apply throughout this chapter:

(1) "Converting entity" means:

(A) a domestic business corporation or a domestic other entity that adopts a plan of entity conversion; or

(B) a foreign other entity converting to a domestic business corporation.

(2) "Surviving entity" means the corporation or other entity that is in existence immediately after consummation of an entity conversion under this chapter.

Sec. 2. This chapter may not be used to effect a transaction that:

- (1) converts an insurance company organized on the mutual principle to a company organized on a stock share basis;**
- (2) converts a nonprofit corporation to a domestic corporation or other business entity; or**
- (3) converts a domestic corporation or other business entity to a nonprofit corporation.**

Sec. 3. If a domestic or foreign business corporation, a nonprofit corporation, or another entity may not be a party to a merger without the approval of the department of financial institutions or the department of insurance, the corporation or other entity may not be a party to a transaction under this chapter without the prior approval of the department of financial institutions or the department of insurance.

Sec. 4. (a) A foreign business corporation may become a domestic business corporation only if the domestication is permitted by the organic law of the foreign corporation. The laws of Indiana govern the effect of domesticating in Indiana under this chapter.

(b) A domestic business corporation may become a foreign business corporation only if the domestication is permitted by the laws of the foreign jurisdiction. Regardless of whether the laws of the foreign jurisdiction require the adoption of a plan of domestication, the domestication must be approved by the adoption by the corporation of a plan of domestication in the manner provided in this section. The laws of the foreign jurisdiction govern the effect of domesticating in that jurisdiction.

(c) The plan of domestication must include:

- (1) a statement of the jurisdiction in which the corporation is to be domesticated;**
- (2) the terms and conditions of the domestication;**
- (3) the manner and basis of reclassifying the shares of the corporation following its domestication into:**
 - (A) shares or other securities;**
 - (B) obligations;**
 - (C) rights to acquire shares or other securities;**
 - (D) cash;**
 - (E) other property; or**
 - (F) any combination of the types of assets referred to in clauses (A) through (E); and**
- (4) any desired amendments to the articles of incorporation of the corporation following its domestication.**

(d) If:

- (1) a debt security, note, or similar evidence of indebtedness for money borrowed, whether secured or unsecured; or**
- (2) a contract of any kind;**

that is issued, incurred, or executed by a domestic corporation before July 1, 2002, contains a provision applying to a merger of the corporation and the document does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation until the provision is amended after that date.

Sec. 5. In the case of a domestication of a domestic business

corporation in a foreign jurisdiction, the following apply:

(1) The plan of domestication must be adopted by the board of directors.

(2) After adopting the plan of domestication, the board of directors must submit the plan to the shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation that the shareholders approve the plan, unless the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make that recommendation, in which case the board of directors must communicate to the shareholders the basis for that determination.

(3) The board of directors may condition its submission of the plan of domestication to the shareholders on any basis.

(4) If the approval of the shareholders is to be given at a meeting, the corporation must notify each shareholder, whether or not the shareholder is entitled to vote, of the meeting of shareholders at which the plan of domestication is to be submitted for approval. The notice must state that the purpose, or one (1) of the purposes, of the meeting is to consider the plan. The notice must contain or be accompanied by a copy or summary of the plan. The notice must include or be accompanied by a copy of the articles of incorporation as they will be in effect immediately after the domestication.

(5) Unless a greater requirement is established by the articles of incorporation or by the board of directors acting under subdivision (3), the plan of domestication may be submitted for the approval of the shareholders:

(A) at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the plan exists; and

(B) if any class or series of shares is entitled to vote as a separate group on the plan, at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the domestication by that voting group is present.

(6) Separate voting on the plan of domestication by voting groups is required by each class or series of shares that:

(A) is to be reclassified under the plan of domestication into other securities, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the types of assets referred to in this clause;

(B) would be entitled to vote as a separate group on a provision of the plan that, if contained in a proposed amendment to articles of incorporation, would require action by separate voting groups under IC 23-1-30-7; or

(C) is entitled under the articles of incorporation to vote as a voting group to approve an amendment of the articles.

(7) If any provision of the articles of incorporation, the bylaws, or an agreement to which any of the directors or shareholders are parties, adopted or entered into before July 1, 2002, applies

to a merger of the corporation and that document does not refer to a domestication of the corporation, the provision applies to a domestication of the corporation until the provision is amended after that date.

Sec. 6. (a) After the domestication of a foreign business corporation has been authorized as required by the laws of the foreign jurisdiction, the articles of domestication must be executed by an officer or other duly authorized representative. The articles must set forth:

(1) the name of the corporation immediately before the filing of the articles of domestication and, if that name is unavailable for use in Indiana or the corporation desires to change its name in connection with the domestication, a name that satisfies the requirements of IC 23-1-23-1;

(2) the jurisdiction of incorporation of the corporation immediately before the filing of the articles of domestication in that jurisdiction; and

(3) a statement that the domestication of the corporation in Indiana was duly authorized as required by the laws of the jurisdiction in which the corporation was incorporated immediately before its domestication under this chapter.

(b) The articles of domestication must either contain all of the provisions that IC 23-1-21-2(a) requires to be set forth in articles of incorporation and any other desired provisions that IC 23-1-21-2(b) permits to be included in the articles of incorporation, or must have attached articles of incorporation. In either case, provisions that would not be required to be included in restated articles of incorporation may be omitted.

(c) The articles of domestication must be delivered to the secretary of state for filing, and are effective at the time provided in IC 23-1-18-4.

(d) If the foreign corporation is authorized to transact business in this state under IC 23-1-49, its certificate of authority is canceled automatically on the effective date of its domestication.

Sec. 7. (a) Whenever a domestic business corporation has adopted and approved, in the manner required by this chapter, a plan of domestication providing for the corporation to be domesticated in a foreign jurisdiction, an officer or another authorized representative of the corporation must execute articles of charter surrender on behalf of the corporation. The articles of charter surrender must set forth:

(1) the name of the corporation;

(2) a statement that the articles of charter surrender are being filed in connection with the domestication of the corporation in a foreign jurisdiction;

(3) a statement that the domestication was approved by the shareholders and, if voting by any separate voting group was required, by each separate voting group, in the manner required by this chapter and the articles of incorporation; and

(4) the corporation's new jurisdiction of incorporation.

(b) The articles of charter surrender must be delivered by the

1 corporation to the secretary of state for filing. The articles of
 2 charter surrender are effective at the time provided in
 3 IC 23-1-18-4.

4 Sec. 8. (a) When a domestication of a foreign business
 5 corporation in Indiana becomes effective:

6 (1) the title to all real and personal property, both tangible and
 7 intangible, held by the corporation remains in the corporation
 8 without reversion or impairment;

9 (2) the liabilities of the corporation remain the liabilities of the
 10 corporation;

11 (3) an action or proceeding pending against the corporation
 12 continues against the corporation as if the domestication had
 13 not occurred;

14 (4) the articles of domestication, or the articles of
 15 incorporation attached to the articles of domestication,
 16 constitute the articles of incorporation of the corporation;

17 (5) the shares of the corporation are reclassified into shares,
 18 other securities, obligations, rights to acquire shares or other
 19 securities, or cash or other property in accordance with the
 20 terms of the domestication as approved under the laws of the
 21 foreign jurisdiction, and the shareholders are entitled only to
 22 the rights provided by those terms and under those laws; and

23 (6) the corporation is considered to:

24 (A) be incorporated under the laws of Indiana for all
 25 purposes;

26 (B) be the same corporation without interruption as the
 27 corporation that existed under the laws of the foreign
 28 jurisdiction; and

29 (C) have been incorporated on the date it was originally
 30 incorporated in the foreign jurisdiction.

31 (b) When a domestication of a domestic business corporation in
 32 a foreign jurisdiction becomes effective, the foreign business
 33 corporation is considered to:

34 (1) appoint the secretary of state as its agent for service of
 35 process in a proceeding to enforce the rights of shareholders
 36 who exercise appraisal rights in connection with the
 37 domestication; and

38 (2) agree that it will promptly pay the amount, if any, to which
 39 shareholders are entitled under IC 23-1-40.

40 (c) The owner liability of a shareholder in a foreign corporation
 41 that is domesticated in Indiana is as follows:

42 (1) The domestication does not discharge owner liability under
 43 the laws of the foreign jurisdiction to the extent owner liability
 44 arose before the effective time of the articles of domestication.

45 (2) The shareholder does not have owner liability under the
 46 laws of the foreign jurisdiction for a debt, obligation, or
 47 liability of the corporation that arises after the effective time
 48 of the articles of domestication.

49 (3) The provisions of the laws of the foreign jurisdiction
 50 continue to apply to the collection or discharge of any owner
 51 liability preserved by subdivision (1), as if the domestication

1 had not occurred and the corporation were still incorporated
2 under the laws of the foreign jurisdiction.

3 (4) The shareholder has whatever rights of contribution from
4 other shareholders are provided by the laws of the foreign
5 jurisdiction with respect to any owner liability preserved by
6 subdivision (1), as if the domestication had not occurred and
7 the corporation were still incorporated under the laws of that
8 jurisdiction.

9 Sec. 9. (a) Unless otherwise provided in a plan of domestication
10 of a domestic business corporation, after the plan has been adopted
11 and approved as required by this chapter, and at any time before
12 the domestication has become effective, the plan of domestication
13 may be abandoned by the board of directors without action by the
14 shareholders.

15 (b) If a domestication is abandoned under subsection (a) after
16 articles of charter surrender have been filed with the secretary of
17 state but before the domestication has become effective, a
18 statement that the domestication has been abandoned under this
19 section, executed by an officer or other authorized representative,
20 must be delivered to the secretary of state for filing before the
21 effective date of the domestication. The statement is effective upon
22 filing and the domestication is abandoned and may not become
23 effective.

24 (c) If the domestication of a foreign business corporation in
25 Indiana is abandoned under the laws of the foreign jurisdiction
26 after articles of domestication have been filed with the secretary of
27 state, a statement that the domestication has been abandoned,
28 executed by an officer or other authorized representative, must be
29 delivered to the secretary of state for filing. The statement is
30 effective upon filing and the domestication is abandoned and may
31 not become effective.

32 Sec. 10. (a) A domestic business corporation may become a
33 domestic other entity under a plan of entity conversion. If the
34 organic law of the other entity does not provide for a conversion,
35 section 14 of this chapter governs the effect of converting to that
36 form of entity.

37 (b) A domestic business corporation may become a foreign other
38 entity only if the entity conversion is permitted by the laws of the
39 foreign jurisdiction. The laws of the foreign jurisdiction govern the
40 effect of converting to an other entity in that jurisdiction.

41 (c) A domestic other entity may become a domestic business
42 corporation. Section 14 of this chapter governs the effect of
43 converting to a domestic business corporation. If the organic law
44 of a domestic other entity does not provide procedures for the
45 approval of an entity conversion, the conversion must be adopted
46 and approved, and the entity conversion effectuated, in the same
47 manner as a merger of the other entity, and its interest holders are
48 entitled to appraisal rights if appraisal rights are available upon
49 any type of merger under the organic law of the other entity. If the
50 organic law of a domestic other entity does not provide procedures
51 for the approval of either an entity conversion or a merger, a plan

of entity conversion must be adopted and approved, the entity conversion effectuated, and appraisal rights exercised, in accordance with the procedures set forth in this chapter and in IC 23-1-40. Without limiting the provisions of this subsection, a domestic other entity whose organic law does not provide procedures for the approval of an entity conversion is subject to subsection (e) and section 12(7) of this chapter. For purposes of applying this chapter and IC 23-1-40:

(1) the other entity and its interest holders, interests, and organic documents taken together are considered a domestic business corporation and the shareholders, shares, and articles of incorporation of a domestic business corporation, as the context may require; and

(2) if the business and affairs of the other entity are managed by a group of persons that is not identical to the interest holders, that group is considered the board of directors.

(d) A foreign other entity may become a domestic business corporation if the organic law of the foreign other entity authorizes it to become a corporation in another jurisdiction. The laws of this state govern the effect of converting to a domestic business corporation under this chapter.

(e) If a debt security, note, or similar evidence of indebtedness for money borrowed, whether secured or unsecured, or a contract of any kind, issued, incurred, or executed by a domestic business corporation before July 1, 2002, applies to a merger of the corporation and the document does not refer to an entity conversion of the corporation, the provision applies to an entity conversion of the corporation until the provision is amended after that date.

Sec. 11. A plan of entity conversion must include:

(1) a statement of the type of other entity that the surviving entity will be and, if it will be a foreign other entity, its jurisdiction of organization;

(2) the terms and conditions of the conversion;

(3) the manner and basis of converting the shares of the domestic business corporation following its conversion into interests or other securities, obligations, rights to acquire interests or other securities, cash, other property, or any combination of the types of assets referred to in this subdivision; and

(4) the full text, as in effect immediately after consummation of the conversion, of the organic documents of the surviving entity.

Sec. 12. In the case of an entity conversion of a domestic business corporation to a domestic other entity or foreign other entity, the following apply:

(1) The plan of entity conversion must be adopted by the board of directors.

(2) After adopting the plan of entity conversion, the board of directors must submit the plan to the shareholders for their approval. The board of directors must also transmit to the

shareholders a recommendation that the shareholders approve the plan, unless the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make that recommendation, in which case the board of directors must communicate to the shareholders the basis for that determination.

(3) The board of directors may condition its submission of the plan of entity conversion to the shareholders on any basis.

(4) If the approval of the shareholders is to be given at a meeting, the corporation must notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the plan of entity conversion is to be submitted for approval. The notice must state that the purpose, or one (1) of the purposes, of the meeting is to consider the plan. The notice must contain or be accompanied by a copy or summary of the plan. The notice must include or be accompanied by a copy of the organic documents as they will be in effect immediately after the entity conversion.

(5) Unless a greater requirement is established by the articles of incorporation or by the board of directors acting under subdivision (3), approval of the plan of entity conversion requires the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the plan exists.

(6) In addition to the vote required under subdivision (5), separate voting on the plan of equity conversion by voting groups is also required by each class or series of shares. Unless the articles of incorporation, or the board of directors acting under subdivision (3), requires a greater vote or a greater number of votes to be present, if the corporation has more than one (1) class or series of shares outstanding, approval of the plan of entity conversion requires the approval of each separate voting group at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the conversion by that voting group is present.

(7) If any provision of the articles of incorporation, the bylaws, or an agreement to which any of the directors or shareholders are parties, adopted or entered into before July 1, 2002, applies to a merger of the corporation and the document does not refer to an entity conversion of the corporation, the provision applies to an entity conversion of the corporation until the provision is subsequently amended.

(8) If as a result of the conversion one (1) or more shareholders of the corporation would become subject to owner liability for the debts, obligations, or liabilities of any other person or entity, approval of the plan of conversion requires the execution, by each shareholder, of a separate written consent to become subject to the owner liability.

Sec. 13. (a) After conversion of a domestic business corporation to a domestic other entity has been adopted and approved as

1 required by this chapter, articles of entity conversion must be
 2 executed on behalf of the corporation by any officer or other duly
 3 authorized representative. The articles must:

4 (1) set forth the name of the corporation immediately before
 5 the filing of the articles of entity conversion and the name to
 6 which the name of the corporation is to be changed, which
 7 must satisfy the organic law of the surviving entity;

8 (2) state the type of other entity that the surviving entity will
 9 be;

10 (3) set forth a statement that the plan of entity conversion was
 11 duly approved by the shareholders in the manner required by
 12 this chapter and the articles of incorporation; and

13 (4) if the surviving entity is a filing entity, either contain all of
 14 the provisions required to be set forth in its public organic
 15 document and any other desired provisions that are permitted,
 16 or have attached a public organic document, except that, in
 17 either case, provisions that would not be required to be
 18 included in a restated public organic document may be
 19 omitted.

20 (b) After the conversion of a domestic other entity to a domestic
 21 business corporation has been adopted and approved as required
 22 by the organic law of the other entity, an officer or another duly
 23 authorized representative of the other entity must execute articles
 24 of entity conversion on behalf of the other entity. The articles must:

25 (1) set forth the name of the other entity immediately before
 26 the filing of the articles of entity conversion and the name to
 27 which the name of the other entity is to be changed, which
 28 must satisfy the requirements of IC 23-1-23-1;

29 (2) set forth a statement that the plan of entity conversion was
 30 duly approved in accordance with the organic law of the other
 31 entity;

32 (3) either contain all of the provisions that IC 23-1-21-2(a)
 33 requires to be set forth in articles of incorporation and any
 34 other desired provisions that IC 23-1-21-2(b) permits to be
 35 included in articles of incorporation, or have attached articles
 36 of incorporation, except that, in either case provisions that
 37 would not be required to be included in restated articles of
 38 incorporation of a domestic business corporation may be
 39 omitted.

40 (c) After the conversion of a foreign other entity to a domestic
 41 business corporation has been authorized as required by the laws
 42 of the foreign jurisdiction, articles of entity conversion must be
 43 executed on behalf of the foreign other entity by any officer or
 44 authorized representative. The articles must:

45 (1) set forth the name of the other entity immediately before
 46 the filing of the articles of entity conversion and the name to
 47 which the name of the other entity is to be changed, which
 48 must satisfy the requirements of IC 23-1-23-1;

49 (2) set forth the jurisdiction under the laws of which the other
 50 entity was organized immediately before the filing of the
 51 articles of entity conversion and the date on which the other

entity was organized in that jurisdiction;

(3) set forth a statement that the conversion of the other entity was duly approved in the manner required by its organic law; and

(4) either contain all of the provisions that IC 23-1-21-2(a) requires to be set forth in articles of incorporation and any other desired provisions that IC 23-1-21-2(b) permits to be included in articles of incorporation, or have attached articles of incorporation, except that, in either case, provisions that would not be required to be included in restated articles of incorporation of a domestic business corporation may be omitted.

(d) The articles of entity conversion must be delivered to the secretary of state for filing and take effect at the effective time provided in IC 23-1-18-4.

(e) If the converting entity is a foreign other entity that is authorized to transact business in Indiana under a provision of law similar to IC 23-1-49, its certificate of authority or other type of foreign qualification is canceled automatically on the effective date of its conversion.

Sec. 14. (a) Whenever a domestic business corporation has adopted and approved, in the manner required by this chapter, a plan of entity conversion providing for the corporation to be converted to a foreign other entity, articles of charter surrender must be executed on behalf of the other corporation by any officer or other duly authorized representative. The articles of charter surrender must set forth:

(1) the name of the corporation;

(2) a statement that the articles of charter surrender are being filed in connection with the conversion of the corporation to a foreign other entity;

(3) a statement that the conversion was duly approved by the shareholders in the manner required by this chapter and the articles of incorporation;

(4) the jurisdiction under the laws of which the surviving entity will be organized; and

(5) if the surviving entity will be a nonfiling entity, the address of its executive office immediately after the conversion.

(b) The articles of charter surrender must be delivered by the corporation to the secretary of state for filing. The articles of charter surrender take effect on the effective time provided in IC 23-1-18-4.

Sec. 15. (a) When a conversion under this section in which the surviving entity is a domestic business corporation or domestic other entity becomes effective:

(1) the title to all real and personal property, both tangible and intangible, of the converting entity remains in the surviving entity without reversion or impairment;

(2) the liabilities of the converting entity remain the liabilities of the surviving entity;

(3) an action or proceeding pending against the converting

entity continues against the surviving entity as if the conversion had not occurred;

(4) in the case of a surviving entity that is a filing entity, the articles of conversion, or the articles of incorporation or public organic document attached to the articles of conversion, constitute the articles of incorporation or public organic document of the surviving entity;

(5) in the case of a surviving entity that is a nonfiling entity, the private organic document provided for in the plan of conversion constitutes the private organic document of the surviving entity;

(6) the share or interests of the converting entity are reclassified into shares, interests, other securities, obligations, rights to acquire shares, interests, or their securities, or into cash or other property in accordance with the plan of conversion, and the shareholders or interest holders of the converting entity are entitled only to the rights provided in the plan of conversion and to any rights they may have under IC 23-1-40; and

(7) the surviving entity is considered to:

(A) be a domestic business corporation or other entity for all purposes;

(B) be the same corporation or other entity without interruption as the converting entity that existed before the conversion; and

(C) have been incorporated or otherwise organized on the date that the converting entity was originally incorporated or organized.

(b) When a conversion of a domestic business corporation to a foreign other entity becomes effective, the surviving entity is considered to:

(1) appoint the secretary of state as its agent for service of process in a proceeding to enforce the rights of shareholders who exercise appraisal rights in connection with the conversion; and

(2) agree that it will promptly pay the amount, if any, to which the shareholders referred to in subdivision (1) are entitled under IC 23-1-40.

(c) A shareholder who becomes subject to owner liability for some or all of the debts, obligations, or liabilities of the surviving entity is personally liable only for those debts, obligations, or liabilities of the surviving entity that arise after the effective time of the articles of entity conversion.

(d) The owner liability of an interest holder in an other entity that converts to a domestic business corporation is as follows:

(1) The conversion does not discharge any owner liability under the organic law of the other entity to the extent that any such owner liability arose before the effective time of the articles of entity conversion.

(2) The interest holder does not have owner liability under the organic law of the other entity for any debt, obligation, or

liability of the corporation that arises after the effective time of the articles of entity conversion.

(3) The provisions of the organic law of the other entity continue to apply to the collection or discharge of any owner liability preserved by subdivision (1), as if the conversion had not occurred and the surviving entity were still the converting entity.

(4) The interest holder has whatever rights of contribution from other interest holders are provided by the organic law of the other entity with respect to any owner liability preserved by subdivision (1), as if the conversion had not occurred and the surviving entity were still the converting entity.

Sec. 16. (a) Unless otherwise provided in a plan of entity conversion of a domestic business corporation, after the plan has been adopted and approved as required by this chapter, and at any time before the entity conversion becomes effective, the plan of entity conversion may be abandoned by the board of directors without action by the shareholders.

(b) If an entity conversion is abandoned after articles of entity conversion or articles of charter surrender have been filed with the secretary of state but before the entity conversion becomes effective, a statement that the entity conversion has been abandoned under this section, executed by an officer or authorized representative, must be delivered to the secretary of state for filing before the effective date of the entity conversion. Upon filing the statement takes effect and the entity conversion is considered abandoned and shall not become effective.

SECTION 91. IC 23-1-40-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) As used in this section, "other business entity" means a limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is formed under the requirements of applicable law and is not otherwise subject to section 1 of this chapter.

(b) As used in this section "surviving entity" means the corporation, limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is in existence immediately after consummation of a merger under this section.

(c) One (1) or more domestic corporations may merge with or into one (1) or more other business entities formed, organized, or incorporated under the laws of Indiana or any other state, the United States, a foreign country, or a foreign jurisdiction if the following requirements are met:

(1) Each domestic corporation that is a party to the merger complies with the applicable provisions of this chapter.

(2) Each domestic other business entity that is a party to the merger complies with the requirements of applicable law.

(3) The merger is permitted by the laws of the state, country, or jurisdiction under which each other business entity that is a

1 party to the merger is formed, organized, or incorporated, and
 2 each other business entity complies with the laws in effecting
 3 the merger.

4 (4) The merging entities approve a plan of merger that sets
 5 forth the following:

6 (A) The name of each domestic corporation and the name
 7 and jurisdiction of formation, organization, or incorporation
 8 of each other business entity planning to merge, and the
 9 name of the surviving or resulting domestic corporation or
 10 other business entity into which each other domestic
 11 corporation or other business entity plans to merge.

12 (B) The terms and conditions of the merger.

13 (C) The manner and basis of converting the shares of each
 14 domestic corporation that is a party to the merger and the
 15 partnership interests, shares, obligations, or other securities
 16 of each other business entity that is a party to the merger
 17 into partnership interests, interests, shares, obligations, or
 18 other securities of the surviving entity or any other domestic
 19 corporation or other business entity or, in whole or in part,
 20 into cash or other property, and the manner and basis of
 21 converting rights to acquire the shares of each domestic
 22 corporation that is a party to the merger and rights to
 23 acquire partnership interests, interests, shares, obligations,
 24 or other securities of each other business entity that is a
 25 party to the merger into rights to acquire partnership
 26 interests, interests, shares, obligations, or other securities of
 27 the surviving entity or any other domestic corporation or
 28 other business entity or, in whole or in part, into cash or
 29 other property.

30 (D) If a partnership is to be the surviving entity, the names
 31 and business addresses of the general partners of the
 32 surviving entity.

33 (E) If a limited liability company is to be the surviving entity
 34 and management of the limited liability company is vested in
 35 one (1) or more managers, the names and business addresses
 36 of the managers.

37 (F) All statements required to be set forth in the plan of
 38 merger by the laws under which each other business entity
 39 that is a party to the merger is formed, organized, or
 40 incorporated.

41 (5) The plan of merger may set forth the following:

42 (A) If a domestic corporation is to be the surviving entity,
 43 any amendments to, or a restatement of, the articles of
 44 incorporation of the surviving entity, and the amendments or
 45 restatement will be effective at the effective date of the
 46 merger.

47 (B) Any other provisions relating to the merger.

48 (d) The plan of merger required by subsection (c)(4) must be
 49 adopted and approved by each domestic corporation that is a party
 50 to the merger in the same manner as is provided in this chapter.

51 (e) Notwithstanding subsection (c)(4), if the surviving entity is a

partnership, a shareholder of a domestic corporation that is a party to the merger does not, as a result of the merger, become a general partner of the surviving entity, and the merger does not become effective under this chapter, unless:

- (1) the shareholder specifically consents in writing to become a general partner of the surviving entity; and
- (2) written consent is obtained from each shareholder who, as a result of the merger, would become a general partner of the surviving entity;

A shareholder providing written consent under this subsection is considered to have voted in favor of the plan of merger for purposes of this chapter.

(f) This section, to the extent applicable, applies to the merger of one (1) or more domestic corporations with or into one (1) or more other business entities.

(g) Notwithstanding any other law, a merger consisting solely of the merger of one (1) or more domestic corporations with or into one (1) or more foreign corporations must be consummated solely according to the requirements of this section.

SECTION 92. IC 23-4-1-45, AS AMENDED BY P.L.277-2001, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 45. (a) To qualify as a limited liability partnership, a partnership under this chapter must do the following:

(1) File a registration with the secretary of state in a form determined by the secretary of state that satisfies the following:

(A) Is signed by one (1) or more partners authorized to sign the registration. A signature on a document under this clause that is transmitted and filed electronically is sufficient if the person transmitting and filing the document:

(i) has the intent to file the document as evidenced by a symbol executed or adopted by a party with present intention to authenticate the filing; and

(ii) enters the filing party's name on the electronic form in a signature box or other place indicated by the secretary of state.

(B) States the name of the limited liability partnership, which must:

(i) contain the words "Limited Liability Partnership" or the abbreviation "L.L.P." or "LLP" as the last words or letters of the name; and

(ii) be distinguishable upon the records of the secretary of state from the name of a limited liability partnership **or other business entity** registered to transact business in Indiana.

(C) States the address of the partnership's principal office.

(D) States the name of the partnership's registered agent and the address of the partnership's registered office for service of process as required to be maintained by section 50 of this chapter.

(E) Contains a brief statement of the business in which the partnership engages.

(F) States any other matters that the partnership determines to include.

(G) States that the filing of the registration is evidence of the partnership's intention to act as a limited liability partnership.

(2) File a ninety dollar (\$90) registration fee with the registration.

(b) The secretary of state shall grant limited liability partnership status to any partnership that submits a completed registration with the required fee.

(c) Registration is effective and a partnership becomes a limited liability partnership on the date a registration is filed with the secretary of state or at any later date or time specified in the registration. The registration remains effective until it is voluntarily withdrawn by filing with the secretary of state a written withdrawal notice under section 45.2 of this chapter.

(d) The status of a partnership as a limited liability partnership and the liability of a partner of a limited liability partnership is not adversely affected by errors or subsequent changes in the information stated in a registration under subsection (a).

(e) A registration on file with the secretary of state is notice that the partnership is a limited liability partnership and is notice of all other facts set forth in the registration.

SECTION 93. IC 23-4-1-53 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 53. (a) As used in this section, "other business entity" means a corporation, limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is formed under the requirements of applicable law.

(b) As used in this section, "surviving entity" means the corporation, limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is in existence immediately after consummation of a merger under this section.

(c) One (1) or more domestic limited liability partnerships may merge with or into one (1) or more other business entities formed, organized, or incorporated under the laws of Indiana or any other state, the United States, a foreign country, or a foreign jurisdiction if the following requirements are met:

(1) Each domestic limited liability partnership that is a party to the merger complies with the applicable provisions of this chapter.

(2) Each domestic other business entity that is a party to the merger complies with the requirements of applicable law.

(3) The merger is permitted by the laws of the state, country or jurisdiction under which each other business entity that is a party to the merger is formed, organized, or incorporated, and each other business entity complies with the laws in effecting the merger.

(4) The merging entities approve a plan of merger that sets forth the following:

(A) The name of each domestic limited liability partnership and the name and jurisdiction of formation, organization, or incorporation of each other business entity planning to merge, and the name of the surviving or resulting domestic limited liability partnership or other business entity into which each

1 other domestic limited liability partnership or other business
2 entity plans to merge.

3 (B) The terms and conditions of the merger.

4 (C) The manner and basis of converting the partnership shares
5 of the limited liability partnership that is a party to the merger
6 and the partnership interests, shares, obligations, or other
7 securities of each other business entity that is a party to the
8 merger into partnership interests, interests, shares, obligations,
9 or other securities of the surviving entity or any other domestic
10 corporation or other business entity or, in whole or in part, into
11 cash or other property, and the manner and basis of converting
12 rights to acquire the shares of each domestic corporation that is
13 a party to the merger and rights to acquire partnership interests,
14 interests, shares, obligations, or other securities of each other
15 business entity that is a party to the merger into rights to acquire
16 partnership interests, interests, shares, obligations, or other
17 securities of the surviving entity or any other domestic
18 corporation or other business entity or, in whole or in part, into
19 cash or other property.

20 (D) If a partnership is to be the surviving entity, the names and
21 business addresses of the general partners of the surviving entity.

22 (E) If a limited liability company is to be the surviving entity and
23 management of the limited liability company is vested in one (1)
24 or more managers, the names and business addresses of the
25 managers.

26 (F) All statements required to be set forth in the plan of merger
27 by the laws under which each other business entity that is a party
28 to the merger is formed, organized, or incorporated.

29 (5) The plan of merger may set forth the following:

30 (A) If a domestic corporation is to be the surviving entity, any
31 amendments to, or a restatement of, the articles of incorporation
32 of the surviving entity, and the amendments or restatement will
33 be effective at the effective date of the merger.

34 (B) Any other provisions relating to the merger.

35 (d) The plan of merger required by subsection (c)(4) must be adopted
36 and approved by each domestic limited liability partnership that is a
37 party to the merger in the same manner as is provided in this chapter.

38 (e) Notwithstanding subsection (c)(4), if the surviving entity is a
39 partnership, a shareholder of a domestic corporation that is a party to
40 the merger does not, as a result of the merger, become a general partner
41 of the surviving entity and the merger does not become effective under
42 this chapter, unless:

43 (1) the shareholder specifically consents in writing to become a
44 general partner of the surviving entity; and

45 (2) written consent is obtained from each shareholder who, as a
46 result of the merger, would become a general partner of the
47 surviving entity;

48 A shareholder providing written consent under this subsection is
49 considered to have voted in favor of the plan of merger for purposes of
50 this chapter.

51 (f) This section, to the extent applicable, applies to the merger of one

(1) or more domestic limited liability partnerships with or into one (1) or more other business entities.

(g) Notwithstanding any other law, a merger consisting solely of the merger of one (1) or more domestic limited liability partnerships with or into one (1) or more foreign corporations must be consummated solely according to the requirements of this section.

SECTION 94. IC 23-16-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The name of each limited partnership as set forth in its certificate of limited partnership:

(1) must contain the words "limited partnership" or the abbreviation "L.P.";

(2) may not contain the name of a limited partner unless:

(A) it is also the name of a general partner or the corporate name of a corporate general partner; or

(B) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) may not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its partnership agreement; and

(4) except as provided in subsection (b), must be such as to distinguish it upon the records in the office of the secretary of state from the name of any limited partnership **or other business entity** reserved, registered, or organized under the laws of Indiana or qualified to do business or registered as a foreign limited partnership in Indiana.

(b) A limited partnership may apply to the secretary of state to use a name that is not distinguishable upon the secretary of state's records from one (1) or more of the names described in subsection (a). The secretary of state shall authorize use of the name applied for if:

(1) the other domestic or foreign limited partnership **or other business entity** files its written consent to the use of its name, signed by any current general partner of the other limited partnership and verified subject to the penalties for perjury; or

(2) the applicant delivers to the secretary of state a certified copy of a final court judgment establishing the applicant's right to use the name applied for in Indiana.

SECTION 95. IC 23-16-3-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) As used in this section, **"other business entity"** means a corporation, limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is formed under the requirements of applicable law.

(b) As used in this section, **"surviving entity"** means the corporation, limited liability company, limited liability partnership, limited partnership, business trust, real estate investment trust, or any other entity that is in existence immediately after consummation of a merger under this section.

(c) One (1) or more domestic limited partnerships may merge with or into one (1) or more other business entities formed, organized, or incorporated under the laws of Indiana or any other

state, the United States, a foreign country, or a foreign jurisdiction if the following requirements are met:

(1) Each domestic limited partnership corporation that is a party to the merger complies with the applicable provisions of this chapter.

(2) Each domestic other business entity that is a party to the merger complies with the requirements of applicable law.

(3) The merger is permitted by the laws of the state, country, or jurisdiction under which each other business entity that is a party to the merger is formed, organized, or incorporated, and each other business entity complies with the laws in effecting the merger.

(4) The merging entities approve a plan of merger that sets forth the following:

(A) The name of each domestic limited partnership and the name and jurisdiction of formation, organization, or incorporation of each other business entity planning to merge, and the name of the surviving or resulting domestic corporation or other business entity into which each other domestic corporation or other business entity plans to merge.

(B) The terms and conditions of the merger.

(C) The manner and basis of converting the limited partnership shares of each domestic limited partnership that is a party to the merger and the partnership interests, shares, obligations, or other securities of each other business entity that is a party to the merger into partnership interests, interests, shares, obligations, or other securities of the surviving entity or any other domestic corporation or other business entity or, in whole or in part, into cash or other property, and the manner and basis of converting rights to acquire the shares of each domestic corporation that is a party to the merger and rights to acquire partnership interests, interests, shares, obligations, or other securities of each other business entity that is a party to the merger into rights to acquire partnership interests, interests, shares, obligations, or other securities of the surviving entity or any other domestic corporation or other business entity or, in whole or in part, into cash or other property.

(D) If a partnership is to be the surviving entity, the names and business addresses of the general partners of the surviving entity.

(E) If a limited liability company is to be the surviving entity and management of the limited liability company is vested in one (1) or more managers, the names and business addresses of the managers.

(F) All statements required to be set forth in the plan of merger by the laws under which each other business entity that is a party to the merger is formed, organized, or incorporated.

(5) The plan of merger may set forth the following:

(A) If a domestic corporation is to be the surviving entity,

any amendments to, or a restatement of, the articles of incorporation of the surviving entity, and the amendments or restatement will be effective at the effective date of the merger.

(B) Any other provisions relating to the merger.

(d) The plan of merger required by subsection (c)(4) will be adopted and approved by each domestic corporation that is a party to the merger in the same manner as is provided in this chapter.

(e) Notwithstanding subsection (c)(4), if the surviving entity is a partnership, a shareholder of a domestic corporation that is a party to the merger does not, as a result of the merger, become a general partner of the surviving entity and the merger does not become effective under this chapter, unless:

(1) the shareholder specifically consents in writing to become a general partner of the surviving entity; and

(2) written consent is obtained from each shareholder who, as a result of the merger, would become a general partner of the surviving entity;

A shareholder providing written consent under this subsection is considered to have voted in favor of the plan of merger for purposes of this chapter.

(e) This section, to the extent applicable, applies to the merger of one (1) or more domestic limited partnerships with or into one (1) or more other business entities.

(f) Notwithstanding any other law, a merger consisting solely of the merger of one (1) or more domestic limited partnerships with or into one (1) or more foreign corporations must be made solely according to the requirements of this section.

SECTION 96. IC 23-18-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. (a) The name of each limited liability company as set forth in its articles of organization:

(1) must contain the words "limited liability company" or either of the following abbreviations:

(A) "L.L.C."; or

(B) "LLC";

(2) may contain the name of a member or manager; and

(3) except as provided in subsection (b), must be such as to distinguish the name upon the records of the office of the secretary of state from the name of any limited liability company **or other business entity** reserved, registered, or organized under the laws of Indiana or qualified to transact business as a foreign limited liability company in Indiana.

(b) A limited liability company may apply to the secretary of state to use a name that is not distinguishable upon the secretary of state's records from one (1) or more of the names described in subsection (a). The secretary of state shall authorize the use of the name applied for if:

(1) the other domestic or foreign limited liability company **or other business entity** files its written consent to the use of its name; or

(2) the applicant delivers to the secretary of state a certified copy of a final court judgment from a circuit or superior court in the

1 state of Indiana establishing the applicant's right to use the name
2 applied for in Indiana.

3 SECTION 97. IC 23-18-7-9 IS ADDED TO THE INDIANA CODE
4 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
5 1, 2002]: **Sec. 9. (a) As used in this section, "other business entity"**
6 **means a corporation, limited liability company, limited liability**
7 **partnership, limited partnership, business trust, real estate**
8 **investment trust, or any other entity that is formed under the**
9 **requirements of applicable law and is not otherwise subject to**
10 **section 1 of this chapter.**

11 (b) As used in this section, "surviving entity" means the
12 corporation, limited liability company, limited liability
13 partnership, limited partnership, business trust, real estate
14 investment trust, or any other entity that is in existence
15 immediately after consummation of a merger under this section.

16 (c) One (1) or more domestic limited liability companies may
17 merge with or into one (1) or more other business entities formed,
18 organized, or incorporated under the laws of Indiana or any other
19 state, the United States, a foreign country, or a foreign jurisdiction
20 if the following requirements are met:

21 (1) Each domestic limited liability company that is a party to
22 the merger complies with the applicable provisions of this
23 chapter.

24 (2) Each domestic other business entity that is a party to the
25 merger complies with the requirements of applicable law.

26 (3) The merger is permitted by the laws of the state, country,
27 or jurisdiction under which each other business entity that is
28 a party to the merger is formed, organized, or incorporated,
29 and each other business entity complies with the laws in
30 effecting the merger.

31 (4) The merging entities approve a plan of merger that sets
32 forth the following:

33 (A) The name of each domestic limited liability company and
34 the name and jurisdiction of formation, organization, or
35 incorporation of each other business entity planning to
36 merge, and the name of the surviving or resulting domestic
37 limited liability partnership or other business entity into
38 which each other domestic limited liability partnership or
39 other business entity plans to merge.

40 (B) The terms and conditions of the merger.

41 (C) The manner and basis of converting the limited liability
42 company that is a party to the merger and the partnership
43 interests, shares, obligations, or other securities of each other
44 business entity that is a party to the merger into partnership
45 interests, interests, shares, obligations, or other securities of
46 the surviving entity or any other domestic corporation or
47 other business entity or, in whole or in part, into cash or
48 other property, and the manner and basis of converting
49 rights to acquire the shares of each domestic corporation
50 that is a party to the merger and rights to acquire
51 partnership interests, interests, shares, obligations, or other

securities of each other business entity that is a party to the merger into rights to acquire partnership interests, interests, shares, obligations, or other securities of the surviving entity or any other domestic corporation or other business entity or, in whole or in part, into cash or other property.

(D) If a partnership is to be the surviving entity, the names and business addresses of the general partners of the surviving entity.

(E) If a limited liability company is to be the surviving entity and management thereof is vested in one (1) or more managers, the names and business addresses of the managers.

(F) All statements required to be set forth in the plan of merger by the laws under which each other business entity that is a party to the merger is formed, organized, or incorporated.

(5) The plan of merger may set forth the following:

(A) If a domestic corporation is to be the surviving entity, any amendments to, or a restatement of, the articles of incorporation of the surviving entity, and the amendments or restatement will be effective at the effective date of the merger.

(B) Any other provisions relating to the merger.

(d) The plan of merger required by subsection (c)(4) must be adopted and approved by each domestic limited liability company that is a party to the merger in the same manner as is provided in this chapter.

(e) Notwithstanding subsection (c)(4), if the surviving entity is a partnership, a shareholder of a domestic corporation that is a party to the merger does not, as a result of the merger, become a general partner of the surviving entity and the merger does not become effective under this chapter, unless:

(1) the shareholder specifically consents in writing to become a general partner of the surviving entity; and

(2) written consent is obtained from each shareholder who, as a result of the merger, would become a general partner of the surviving entity;

A shareholder providing written consent under this subsection is considered to have voted in favor of the plan of merger for purposes of this chapter.

(f) This section, to the extent applicable, applies to the merger of one (1) or more domestic limited liability companies with or into one (1) or more other business entities.

(g) Notwithstanding any other law, a merger consisting solely of the merger of one (1) or more domestic limited liability company with or into one (1) or more foreign corporations must be consummated solely according to the requirements of this section.

SECTION 98. IC 30-5-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. "Principal" means:

(1) an individual, including an individual acting as a:

(+) (A) trustee;

~~(2)~~ **(B)** personal representative; or

~~(3)~~ **(C)** fiduciary;

(2) a corporation;

(3) a limited liability company;

(4) a trust; or

(5) a partnership;

who signs a power of attorney granting powers to an attorney in fact.

SECTION 99. IC 33-3-5-2.5, AS AMENDED BY SEA 216-2002, SECTION 131, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2.5. (a) As used in this section, "qualifying county" means a county having a population of more than four hundred thousand (400,000) and less than seven hundred thousand (700,000).

(b) As used in this section, "contractor" means ~~the~~ **a general reassessment, general reassessment review, or special reassessment** contractor of the department of local government finance under IC 6-1.1-4-32.

(c) As used in this section, "qualifying official" refers to any of the following:

(1) A county assessor of a qualifying county.

(2) A township assessor of a qualifying county.

(3) The county auditor of a qualifying county.

(4) The treasurer of a qualifying county.

(5) The county surveyor of a qualifying county.

(6) A member of the land valuation committee in a qualifying county.

(7) Any other township or county official in a qualifying county who has possession or control of information necessary or useful for a general reassessment, general reassessment review, or special reassessment of property to which IC 6-1.1-4-32 applies, including information in the possession or control of an employee or a contractor of the official.

(8) Any county official in a qualifying county who has control, review, or other responsibilities related to paying claims of a contractor submitted for payment under IC 6-1.1-4-32.

(d) Upon petition from

~~(1)~~ the department of local government finance or

~~(2)~~ **the** a contractor,

the tax court may order a ~~township assessor in a qualifying county or a county assessor of a qualifying county~~ **qualifying official** to produce information requested in writing from the ~~township assessor or county assessor~~ **qualifying official** by the department of local government finance or the contractor.

~~(d)~~ **(e)** If the tax court orders a ~~township assessor or county assessor~~ **qualifying official** to provide requested information as described in subsection ~~(c)~~; **(d)**, the tax court shall order production of the information not later than fourteen (14) days after the date of the tax court's order.

~~(e)~~ **(f)** The tax court may find that any willful violation of this section by a ~~township assessor or county assessor~~ **qualifying official** constitutes a direct contempt of the tax court."

Page 108, line 31, delete "IC 33-3-5-12" and insert "IC 33-3-5-12, AS AMENDED BY SEA 357-2002, SECTION 458,".

Page 108, line 37, delete "state board of tax commissioners".

Page 108, line 37, reset in roman "Indiana board of tax review".

Page 110, delete lines 13 through 42, begin a new paragraph and insert:

"SECTION 103. IC 34-6-2-38, AS AMENDED BY P.L.250-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 38. (a) "Employee" and "public employee", for purposes of section 91 of this chapter, IC 34-13-2, IC 34-13-3, IC 34-13-4, and IC 34-30-14, mean a person presently or formerly acting on behalf of a governmental entity, whether temporarily or permanently or with or without compensation, including members of boards, committees, commissions, authorities, and other instrumentalities of governmental entities, volunteer firefighters (as defined in IC 36-8-12-2), and elected public officials.

(b) The term also includes attorneys at law whether employed by the governmental entity as employees or independent contractors and physicians licensed under IC 25-22.5 and optometrists who provide medical or optical care to confined offenders (as defined in IC 11-8-1) within the course of their employment by or contractual relationship with the department of correction. However, the term does not include:

(1) an independent contractor (other than an attorney at law, a physician, or an optometrist described in this section);

(2) an agent or employee of an independent contractor;

(3) a person appointed by the governor to an honorary advisory or honorary military position; or

(4) a physician licensed under IC 25-22.5 with regard to a claim against the physician for an act or omission occurring or allegedly occurring in the physician's capacity as an employee of a hospital.

(c) A physician licensed under IC 25-22.5 who is an employee of a governmental entity (as defined in IC 34-6-2-49) shall be considered a public employee for purposes of IC 34-13-3-3(21).

(d) For purposes of IC 34-13-3 and IC 34-13-4, the term includes a person that engages in an act or omission before July 1, 2004, in the person's capacity as:

(1) a contractor under IC 6-1.1-4-32;

(2) an employee acting within the scope of the employee's duties for a contractor under IC 6-1.1-4-32;

(3) a subcontractor of the contractor under IC 6-1.1-4-32 that is acting within the scope of the subcontractor's duties; or

(4) an employee of a subcontractor described in subdivision (3) that is acting within the scope of the employee's duties."

Page 111, delete lines 1 through 7.

Page 123, line 34, delete "IC 36-8-11-26" and insert "IC 36-8-11-26, AS AMENDED BY SEA 357-2002, SECTION 493,".

Page 124, line 4, delete "state board of tax commissioners;".

Page 124, line 4, reset in roman "department of local".

Page 124, line 5, reset in roman "government finance;".

Page 124, line 12, delete "IC 36-8-13-5" and insert "IC 36-8-13-5, AS AMENDED BY SEA 357-2002, SECTION 497,".

- 1 Page 124, line 24, delete "state board of tax commissioners;"
- 2 Page 124, line 24, reset in roman "department of local".
- 3 Page 124, line 25, reset in roman "government finance;"
- 4 Page 124, line 32, delete "IC 36-8-19-8.7" and insert "IC 36-8-19-8.7,
- 5 AS AMENDED BY SEA 357-2002, SECTION 501,"
- 6 Page 125, line 2, delete "state board of tax commissioners;"
- 7 Page 125, line 2, reset in roman "department of local".
- 8 Page 125, line 3, reset in roman "government finance;"
- 9 Page 125, between lines 9 and 10, begin a new paragraph and insert:
- 10 Page 125, between lines 9 and 10, begin a new paragraph and insert:
- 11 "SECTION 127. IC 36-10-11-2 IS AMENDED TO READ AS
- 12 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. As used in this
- 13 chapter:
- 14 "Authority" refers to a building authority created under this chapter.
- 15 "Building" means a structure or a part of a structure used for a civic
- 16 center **or a facility that is owned by the city and used by a**
- 17 **professional sports franchise**, including the site, landscaping, parking,
- 18 heating facilities, sewage disposal facilities, and other related
- 19 appurtenances and supplies necessary to make the building suitable for
- 20 use and occupancy.
- 21 "Governmental entity" means a state agency, state university, or
- 22 political subdivision.
- 23 SECTION 128. IC 36-10-11-33 IS AMENDED TO READ AS
- 24 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 33. (a) The fiscal
- 25 body of the lessee shall adopt an ordinance creating a board of five (5)
- 26 members to be known as the "Civic Center Board of Managers". The
- 27 board of managers shall supervise, manage, operate, and maintain ~~the~~
- 28 **civic center a building** and its programs.
- 29 (b) A person appointed to the board of managers must be at least
- 30 twenty-one (21) years of age and a resident of the lessee governmental
- 31 entity for at least five (5) years. If the lessee is a city, three (3) of the
- 32 managers shall be appointed by the city executive, and two (2) of the
- 33 managers shall be appointed by the city legislative body. If the lessee
- 34 is not a city, all five (5) managers shall be appointed by the fiscal body
- 35 of the lessee. An officer or employee of a political subdivision may not
- 36 serve as a manager. The managers serve for terms of three (3) years.
- 37 (c) Notwithstanding subsection (b), if the lessee is a city, initial terms
- 38 of the managers appointed by the executive are as follows:
- 39 (1) One (1) manager for a term of one (1) year.
- 40 (2) One (1) manager for a term of two (2) years.
- 41 (3) One (1) manager for a term of three (3) years.
- 42 The initial term of one (1) of the managers appointed by the legislative
- 43 body is two (2) years, and the other is three (3) years.
- 44 (d) Notwithstanding subsection (b), if the lessee is not a city, initial
- 45 terms of the managers are as follows:
- 46 (1) One (1) manager for a term of one (1) year.
- 47 (2) Two (2) managers for terms of two (2) years.
- 48 (3) Two (2) managers for terms of three (3) years.
- 49 (e) A manager may be removed for cause by the appointing authority.
- 50 Vacancies shall be filled by the appointing authority, and any person
- 51 appointed to fill a vacancy serves for the remainder of the vacated term.

1 The managers may not receive salaries, but shall be reimbursed for any
 2 expenses necessarily incurred in the performance of their duties.

3 (f) The board of managers shall annually elect officers to serve
 4 during the calendar year. The board of managers may adopt resolutions
 5 and bylaws governing its operations and procedure and may hold
 6 meetings as often as necessary to transact business and to perform its
 7 duties. A majority of the managers constitutes a quorum.

8 SECTION 129. IC 36-10-11-34 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 34. The board of
 10 managers may do the following:

11 (1) Receive and collect money due to or otherwise related to ~~the~~
 12 ~~civic center;~~ **a building**; employ an executive manager, an
 13 associate manager, and other agents and employees that are
 14 considered necessary for the fulfillment of its duties, and fix the
 15 compensation of all employees. However, a contract of
 16 employment or other arrangement must be terminable at the will
 17 of the board of managers, except that a contract may be entered
 18 into with an executive manager for a period not exceeding four (4)
 19 years and subject to extension or renewal for similar or shorter
 20 periods.

21 (2) Let concessions for the operation of restaurants, cafeterias,
 22 public telephones, news and cigar stands, vending machines,
 23 caterers, and all other services considered necessary or desirable
 24 for the operation of the ~~civic center;~~ **a building**.

25 (3) Lease a part of ~~the civic center~~ **a building** from time to time to
 26 any association, corporation, or individual, with or without the
 27 right to sublet.

28 (4) Fix charges and establish rules governing the use and operation
 29 of ~~the civic center;~~ **a building**.

30 (5) Accept gifts or contributions from individuals, corporations,
 31 limited liability companies, partnerships, associations, trusts, or
 32 foundations; accept funds, loans, or advances on the terms and
 33 conditions that the board of managers considers necessary or
 34 desirable from the federal government, the state, or any of their
 35 agencies or political subdivisions.

36 (6) Receive and collect all money due to the use or leasing of ~~the~~
 37 ~~civic center~~ **a building** or any part of it and from concessions or
 38 other contracts and expend that money for proper purposes.

39 (7) Provide coverage for its employees under IC 22-3 and IC 22-4.

40 (8) Purchase public liability and other insurance that it considers
 41 necessary.

42 (9) Make and enter into all contracts and agreements necessary or
 43 incidental to the performance of its duties and the execution of its
 44 powers under this chapter, including enforcement of them.

45 (10) Maintain and repair ~~the civic center~~ **a building** and employ a
 46 building superintendent and other employees that are necessary to
 47 properly maintain ~~the civic center;~~ **a building**.

48 (11) Prepare and publish descriptive materials and literature
 49 relating to ~~the civic center~~ **a building** and specifying the
 50 advantages of ~~the civic center;~~ **a building**; do all other acts and
 51 things that the board of managers considers necessary to promote

1 and publicize ~~the civic center~~ **a building** and serve the
 2 commercial, industrial, and cultural interests of Indiana and all its
 3 citizens by the use of ~~the civic center~~; **a building**; and assist and
 4 cooperate with the state and other public, governmental, and
 5 private agencies and groups of citizens for those purposes.

6 (12) Supervise, manage, operate, and maintain any other public
 7 facility owned or leased by the lessee governmental entity or by an
 8 agency of it when so directed by a resolution adopted by the fiscal
 9 body of the entity.

10 (13) Exercise other powers and perform other duties not in conflict
 11 with this chapter that are specified by ordinance or resolution of
 12 the fiscal body of the lessee governmental entity.

13 (14) Perform all other acts necessarily incidental to its duties and
 14 the powers listed in this section.

15 SECTION 130. IC 36-10-11-35 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 35. (a) The board
 17 of managers shall prepare a budget for each calendar year governing
 18 the projected operating expenses, the estimated income, and reasonable
 19 reserves. It shall submit that budget for review, approval, or addition
 20 to the fiscal body of the lessee governmental entity.

21 (b) The board of managers may not make expenditures except as
 22 provided in the approved budget, and all additional expenditures are
 23 subject to approval by the fiscal body of the entity.

24 (c) Payments to the users of ~~the civic center~~ **a building** or a part of
 25 it that constitute a contractual share of box office receipts are not
 26 considered an operating expense or an expenditure within the meaning
 27 of this section, and the board of managers may make those payments
 28 without approval.

29 SECTION 131. IC 36-10-11-36 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 36. (a) The fiscal
 31 officer of the lessee governmental entity shall act as controller of the
 32 board of managers and is responsible for proper safeguarding and
 33 accounting. The controller shall, with the approval of the board of
 34 managers, appoint an assistant to act as auditor for the board of
 35 managers.

36 (b) The assistant is the official custodian of all books of account and
 37 other financial records of the board of managers and has the other
 38 powers and duties that are delegated by the controller and the lesser
 39 powers and duties that the board of managers prescribes. The assistant,
 40 and any other employee or member of the board of managers
 41 authorized to receive, collect, or expend money, shall give bond for the
 42 faithful performance and discharge of all duties required of him in an
 43 amount and with surety and other conditions that are prescribed and
 44 approved by the board of managers.

45 (c) The assistant shall keep an accurate account of:

46 (1) all money due ~~the civic center~~ **a building** and the board of
 47 managers; and

48 (2) all money received, invested, and disbursed;

49 in accordance with generally recognized governmental accounting
 50 principles and procedures. All accounting forms and records shall be
 51 prescribed or approved by the state board of accounts. The assistant

shall issue all warrants for the payment of money from the funds of the board of managers in accordance with procedures prescribed by the board of managers, but a warrant may not be issued for the payment of any claim until an itemized and verified statement of the claim has been filed with the controller, who may require evidence that all amounts claimed are justly due. All warrants shall be countersigned by the controller or financial officer or by the executive manager. Payroll and similar warrants may be executed with facsimile signatures.

(d) If the board of managers or the lessee governmental entity has entered into any agreement to lease ~~civic center~~ **building** facilities from the authority, the controller shall pay the lease rental to the authority within a reasonable period before the date on which principal or interest on any bonds outstanding issued under this chapter becomes due. The assistant shall submit to the board of managers at least annually a report of his accounts exhibiting the revenues, receipts, and disbursements and the sources from which the revenues and receipts were derived and the purpose and manner in which the disbursements were made. The board of managers may require that the report be prepared by a designated, independent certified public accountant. Handling and expenditure of funds is subject to audit and supervision by the state board of accounts.

SECTION 132. IC 2-5-1.1-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. There is annually appropriated to legislative employers (as defined in IC 5-10-8) from the fund established under section 17 of this chapter sufficient funds to pay for employer paid benefit charges or premiums arising as a result of elections made by legislative employers under IC 5-10-8."**

Page 126, delete lines 15 through 19.

Page 126, line 21, delete "(RETROACTIVE)]:" and insert "(RETROACTIVE)]".

Page 127, delete lines 8 through 42.

Page 128, delete lines 1 through 41.

Page 129, delete lines 35 through 42.

Page 130, delete lines 1 through 24.

Page 130, line 26, delete "(RETROACTIVE)]:" and insert "(RETROACTIVE)]".

Page 131, line 27, delete "of".

Page 131, line 28, delete "new" and insert "**redevelopment or rehabilitation of real property under IC 6-1.1-12.1-3;**".

Page 131, delete line 29.

Page 131, line 31, delete "IC 6-1.1-12.1-4.5" and insert "**IC 6-1.1-12.1-3**".

Page 131, line 35, delete "IC 6-1.1-12.1-5.5" and insert "**IC 6-1.1-12.1-5**".

Page 131, line 36, delete "IC 6-1.1-12.1-4.5" and insert "**IC 6-1.1-12.1-3**".

Page 131, line 37, delete "2001 and".

Page 131, line 40, delete "2001 and".

Page 132, line 3, delete "2001 and".

Page 132, line 3, delete "Notwithstanding any other law, the

property".

Page 132, delete lines 4 through 8.

Page 132, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 143. [EFFECTIVE JANUARY 1, 2003] (a) The excessive tax levy collected as a result of the approval of a referendum held under IC 6-1.1-19-4.5 (as effective January 1, 2002, or as amended by SEA 175-2002) in 2002 is considered a referendum tax levy to which the following apply:

(1) IC 6-1.1-19-4.5, IC 6-1.1-21-2, IC 21-3-1.7-3.1, IC 21-3-1.7-5, IC 21-3-1.7-6.8, and IC 21-3-1.7-8, all as amended by SEA 175-2002 and this act; and

(2) IC 21-2-11.6, as added by SEA 175-2002.

(b) To the extent possible, if there is a conflict between the provisions of SEA 175-2002 and this act, it is the intent of the general assembly that the two acts be read together and the policies in both acts be implemented into law.

SECTION 144. [EFFECTIVE JANUARY 1, 2000 (RETROACTIVE)]: (a) IC 6-1.1-10-42, as added by this act, applies only to property taxes first due and payable after December 31, 2000.

(b) This SECTION expires January 1, 2003.

SECTION 145. [EFFECTIVE UPON PASSAGE] (a) This SECTION applies to each SECTION under this act that:

(1) takes effect upon passage; and

(2) contains an amendment to a population parameter.

(b) The amendment to a population parameter described in subsection (a) takes effect April 1, 2002, and the amendment to other provisions in a SECTION described in subsection (a) takes effect upon passage of this act."

SECTION 82. [EFFECTIVE UPON PASSAGE] (a) Notwithstanding P.L.29-2001, SECTION 5, the total operating expense for all universities shall be reduced by \$29,000,000 for FY 2002-2003. The amount of the reduction for each main and regional campus equals the amount determined under STEP FOUR of the following formula:

STEP ONE: Determine the amount of the total operating appropriation to the campus.

STEP TWO: Determine the amount of the total operating appropriations for all university campuses.

STEP THREE: Divide the STEP ONE amount by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by \$29,000,000.

(b) Notwithstanding P.L.29-2001, SECTIONS 5 and 38, and any other law, universities may use a part of the money allocated to them from the appropriation from the BUILD INDIANA FUND (BIF) (IC 4-30-27), FOR THE BUDGET AGENCY, Higher Education Technology, for operating expenses to defray the reductions under subsection (a). The amount available for operating expense may not exceed a total of \$29,000,000. The formula in subsection (a) shall be used to determine the amount

1 **main and regional campuses shall receive.**

2 SECTION 91. [EFFECTIVE JULY 1, 2002] (a) Notwithstanding
3 **P.L.291-2001, SECTION 4, the appropriation FOR THE**
4 **DEPARTMENT OF EDUCATION, DISTRIBUTION FOR**
5 **TUITION SUPPORT, General Fund, Total Operating Expense for**
6 **the state fiscal year beginning July 1, 2002, and ending June 30,**
7 **2003, is \$1,950,029,212 and not \$2,009,587,850.**

8 (b) Notwithstanding P.L.291-2001, SECTION 4, the
9 **appropriation FOR THE DEPARTMENT OF EDUCATION,**
10 **DISTRIBUTION FOR TUITION SUPPORT, Property Tax Relief**
11 **Fund, Total Operating Expense for the state fiscal year beginning**
12 **July 1, 2002, and ending June 30, 2003, is \$1,463,506,512 and not**
13 **\$1,523,065,150."**

14 Renumber all SECTIONS consecutively.

(Reference is to EHB 1196 as reprinted February 26, 2002.)

Conference Committee Report
on
Engrossed House Bill 1196

Signed by:

Representative Bauer
Chairperson

Senator Borst

Representative Espich

Senator Simpson

House Conferees

Senate Conferees